

COUNCIL MEETING

January 6, 2010

The Council Meeting of the Council of the County of Kauaʻi was called to order by the Council Chair at the Council Chambers, Historic County Building, 4396 Rice Street, Room 201, Līhuʻe, Kauaʻi, on Wednesday, January 6, 2010 at 10:09 a.m., after which the following members answered the call of the roll:

Honorable Tim Bynum
Honorable Dickie Chang
Honorable Jay Furfaro
Honorable Lani T. Kawahara
Honorable Bill “Kaipo” Asing, Council Chair

EXCUSED:

Honorable Daryl W. Kaneshiro
Honorable Derek S.K. Kawakami

PETER NAKAMURA, COUNTY CLERK: Five present, Mr. Chair.

Chair Asing: Thank you and please note that Councilmember Kaneshiro and Councilmember Kawakami is presently in Honolulu attending the legislative briefing together with the Mayor and the administration at the Legislature. With that, can we have the first item on the agenda, please?

Mr. Nakamura: First item is approval of the agenda.

APPROVAL OF AGENDA:

Mr. Furfaro moved for approval of the agenda as circulated, seconded by Mr. Chang, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next matter is approval of the Minutes of the following Meeting of the Council.

MINUTES of the following meeting of the Council:

Special Council Meeting of December 16, 2009

Mr. Furfaro moved for approval of the minutes as circulated, seconded by Mr. Chang, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Mr. Chair, at this time we're on page 2 of the council's agenda to take up communication C 2010-07.

COMMUNICATIONS:

C 2010-07 Communication (12/29/2009) from Jay Furfaro, Councilmember, requesting the presence of Douglas Hinrichs, Vice President – Marketing Transformation and Project Development, SENTECH Inc., to present the draft Kaua'i Energy Sustainability Plan to the Council.

Chair Asing: Thank you. With that, can we have the Director of...George Costa.

There being no objection, the rules were suspended.

Mr. Furfaro: On that note, Mr. Chair, can...I just want to remind everyone, this is a final draft and it's still a draft and there's lots of room for public input going forward.

Chair Asing: Thank you, with that, good morning.

GEORGE COSTA, DIRECTOR, OFFICE OF ECONOMIC DEVELOPMENT:
Good morning.

Ms. Kawahara: Good morning,

Mr. Costa: Aloha. Hau'oli Makahiki Hou. Happy new year to everyone.

Mr. Furfaro: Bonne Année!

Mr. Costa: Council Chair Asing, Councilman Furfaro and fellow councilmembers, for the record George Costa, Director for the Office of Economic Development, County of Kaua'i. Today we have the presentation of the draft plan for the Kaua'i Energy Sustainability Plan. As an island community and one of the most isolated land masses on planet earth, we have become very dependent on fossil fuels for transportation and generation of electricity. With the rising cost of fuel and supply of fossil fuel resources depleting rapidly, time is of the essence to change our way of living so we can be a more self-sufficient community.

Before I introduce Diane Zachary of Kaua'i Planning and Action Alliance and Doug Hinrichs of SENTECH Hawai'i, I would like to acknowledge and take this time to thank the Energy Plan Advisory Committee members, JoAnn Yukimura, Walter Barnes, Rohit Mehta, Ed Nakaya and Jay Furfaro for their time and guidance. I would also like to acknowledge and thank the many members of our island community who attended the various stakeholder and community meetings, to provide their input and their participation. At this time, I'd like to call upon Diane Zachary and Doug Hinrichs to present the Kaua'i Energy Sustainability Plan draft.

DOUGLAS HINRICHs, SENTECH INC.: Thank you, George. Chairman Asing, we're honored to be here to present the final draft of the Kaua'i Energy Sustainability Plan and I'd like to ask...and the rest of the Council of course, great to see you all. I'd like to ask Diane Zachary to go over some basics of the plan and I would like to turn it over to her.

DIANE ZACHARY, KAUA'I PLANNING AND ACTION ALLIANCE: Thank you, Doug, and it is a pleasure to be here. This plan was many months in the making. We first gathered in February of last year, 2009, to do the rollout of the planning process and here we are 11 months later with a draft plan to present to you after considerable community input. As George mentioned, we had community meetings; we had stakeholder meetings; we had a blog; we had a survey; we used all kinds of means to get community input into this process. What we learned from the community was many, many things.

First I'd like to mention some things that were...our Energy Plan Advisory Committee has...had really focused on and that serves as the preface for this draft plan. This is an energy sustainability plan for the island of Kaua'i. It's not an energy sustainability plan for Kaua'i County government. It has specific recommendations for actions to be taken by county government, but it's not just their plan. It has specific recommendations for actions to be taken by Kaua'i Island Utility Cooperative, but it is not an energy sustainability plan for KIUC. It has specific recommendations for actions to be taken by state government, specific recommendations for action to be taken by businesses and by individuals, that's all of us. It will take specific directed actions by Kaua'i County government, by KIUC, by state government, by local businesses, and all of us as individuals to achieve energy sustainability for our island. Together we all have a role to play; we will all have to pay part of the cost; and we will all have the opportunity to share the benefits.

I want to talk a little bit about sustainability and what that means. This is kind of the scientific part of the introduction to the plan, but it really forms an important foundation to the plan. So, bear with me as I cover this. The first is the first law of thermodynamics, which is the law of the conservation of energy. That states that the total amount of energy in a closed system, like planet earth, remains constant. A consequence of this law is that energy cannot be created or destroyed, and all the matter that will ever exist on earth is here now. I always find that a profound statement. The second law of thermodynamics or the law of increasing entropy is an expression of the universal principle of increasing entropy, which is basically disorder. The implications of this second law are that matter and energy tend to become disorganized over time or gain entropy. There's that word again. So, there's four bullets under this. Bear with me as I read them to you, but it really explains how...how this applies to the plan.

Disorder increases in all closed systems and the earth is a closed system, except that the earth receives energy from the sun. Sunlight is responsible for almost all increases in net material quality on earth through photosynthesis—we've all heard about that—helps plants grow; so...solar heating effects such as the warming of the planet, evaporation of ocean water for fresh water production, the creation of ocean currents and winds, things like that. In the realm of sustainable energy, sunlight can create electricity through PV or photovoltaics and solar heat can be used to drive concentrating solar power, as well as solar thermal heating and cooling systems. You'll hear more about those things in the plan. This flow of energy into our ecosystem from the sun essentially creates order from disorder, making an exception to the natural trend of entropy or disorder in a closed system.

So, all of that scientific information forms part of the plan and leads into what is our definition of sustainability and it's one that's really used in the scientific community worldwide and it's called the Natural Step and there are four bullets in the Natural Step. In a sustainable society, nature is not subject to systematically increasing: first of all, the concentrations of substances extracted from the earth's

crust; second, the concentration of substances produced by society; third, the degradation by physical means in that society; and fourth, the people are not subject to conditions that systematically undermine their capacity to meet their needs. So those are four very meaty definitions that together encompass what sustainability is as the Natural Step states it.

In our community and stakeholder meetings, we had the opportunity of establishing a vision for sustainable energy for Kaua'i looking ahead to the year 2030 and this is what we came up with. On Kaua'i in 2030, we've achieved 100% local energy sustainability and we've maintained the beauty of our garden island and our rural lifestyle; we've incorporated sustainability and smart growth principles into our land use plans; we've built a strong sustainable green economy with green job opportunities; we've utilized land efficiently for agriculture and renewable energy production; we've educated our citizens on energy conservation and efficiency, and for those green job opportunities; we've renewed our energy demand, excuse me, we've reduced our energy demand through conservation and efficiencies; we've determined the new and emerging technologies that are best suited for our island, for Kaua'i; we've achieved energy self-reliance through renewable energy and fuel production for electricity and for transportation while protecting our endangered wildlife; we've considered social equity and cultural impacts when we're siting our new energy facilities; we've established an effective multi-modal transportation system that shifts use from cars to instead mass transit and non-motorized modes; and we've followed existing and crafted new county, state and federal legislation regulations to help meet our electricity and ground transportation needs.

From the vision and from the input and the analysis that's been done, there are some very essential goals and objectives that have been created. Kaua'i, in both the ground transportation and electricity sectors, will reduce demand through energy conservation and efficiency, will increase sustainable energy supply, will make energy delivery more efficient, and all of this will help us meet the goal of 100% local energy sustainability by the year 2030.

So I'm going to turn this over to Doug, who has done the analysis for this plan and let him explain the recommendations of the plan to you.

Chair Asing:

Thank you.

Mr. Hinrichs: Thank you, Diane. We've done quite a bit of, you know, objective analysis in addition to the stakeholder and public meetings, and together we think they give us a robust and comprehensive view of what will work on Kaua'i. And on the KPAA website are several pages and many, many documents. You can drill down and learn more about each of these issues as much as you like, I believe.

I want to focus on some scenarios that we looked at, including for the ground transportation sector and their liquid fuel use. If you look at the baseline scenario of how much gas and diesel we're using on-island now, we used information from either 2007 or 2009, depending on which data set was most available and most applicable. For gasoline, we're using 35.7 million gallons per year, diesel 4.8 million gallons per year. If we look at the 2030 projected scenario as a business as usual, BAU scenario, and we calculate that by using a 1.1% annual average growth rate, and we got that increase by looking at Kaua'i's population growth over the last, I believe, eight years. So, if we look at that 1.1% growth rate and we do nothing

except what we're doing now, business as usual, that gasoline demand will grow to 45.8 gallon...million gallons per year and diesel will grow to 6.2 million gallons per year.

For the electricity sector, we looked at the same two different...same scenarios and business as usual would go from currently 515 gigawatt hours (GWh) per year and that's looking at the actual megawatts of power generated over time, so it includes the energy instead of just the power in metric. We go from 515 to over 650, I believe, is the endpoint by 2030. If, as I explain through this presentation, if we adopt the KESP recommendations, we'll take our baseline of 515 and keep it under 600 GWh by 2030.

Another real important piece of our analysis and we looked at some studies from Black & Veatch, which is where this chart came from, we have a lot of potential to meet our demand currently and probably in the future as well. If you look at solar photovoltaics or PV, we have over 500 GWh of potential; same for solar thermal which is also known as concentrating solar power; wind, that almost also meet that demand by itself; biomass gasifica...gas...gasification can meet it as well; biofuels, ethanol/biodiesel can contribute to that total demand; ocean energy, either wave or OTEC, which is ocean thermal energy conversion systems, they also have plenty of potential to meet demand. So, the bottom line is we have the potential and it's just how do we tap into it and make that happen.

So let's switch gears and go right into our...our recommendations for the ground transportation sector. And this one might be the one that elicits some heartburn (inaudible), but it's a...it's to pass a 50 cents per gallon county fuel tax. And currently the fuel tax is, I believe, at 13 cents. So we're recommending an additional 50 cents per gallon. And the county has authority to levy a fuel tax. They might need to work with the state, I would imagine, on increasing the cap, so that would need to be done. But that tax would disincentivize, we believe, the consumption of gas and diesel over time and would have its biggest effect over the first five years, we would estimate. In doing so, we would disincen gas and diesel; we would also incent the use of ethanol and biodiesel as replacements. Over 20 years though, this would build a \$186 million sustainable ground transportation fund, which we'd put in a separate, you know, interest-bearing account, hopefully managed by a professional company or entity who's done, you know, similar account management in the past. And we would use that account to fund demand reduction and sustainable energy supply initiatives over those 20 years. So again, that would decrease demand and offer alternatives to how people, you know, get around on the island.

Two key assumptions in this estimate of the \$186 million, we're assuming a linear adoption of the KESP recommendations. The second assumption is that we're assuming gasoline and diesel are phased out by 2030 completely. So as...as ethanol and biodiesel are phased in, we would not tax those. We'd only tax the gas and diesel use over time and again, we want to phase them out by 2030 with these recommendations.

This is a pie chart of the allocation of the tax proceeds. I won't go into details on them, but a key to point out is a 3% fund management fee. Again, we want to have this...this money is going to a separate interest-bearing account that will be managed by a professional fund management company overseen by the county and the largest chunk, 54%, would go toward an efficient vehicle incentive. So again, as people are paying more for gas and diesel, the...they can also buy more efficient

vehicles with incentives for especially hybrid electric vehicles (HEVs) and plug-in hybrids, and there are also flex fuels that have been very successful in Brazil we would recommend.

So, switching gears again to Recommendation 4.2, we would offer these efficient vehicle incentives to reduce demand and I was really shocked by these numbers as our analysis was...was ongoing. We can reduce demand by se...by 50-70% by offering these incentives for more efficient vehicles. So our goal would be to replace the current vehicle stock with more efficient vehicles to reduce demand and we're assuming two-and-a-half life cycles. So if you look at the average use of a car...of a vehicle on Kaua'i, eight years is the average life cycle and then it's sold or moved off or no longer working. So an eight-year life cycle over 20 years, that'll be two-and-a-half life cycles. So these incentives, we'd hope, would catch people in their replacement two-and-a-half times. Again, the incentives would go toward commercially available, hybrid electric vehicles, plug-in hybrids. By the year 2015, we think they'd become more commercially available and also KIUC would have more renewables online—I'll talk more a bit about that a bit later—to charge up those vehicles.

Then also a very cost-effective way is to just convert your HEV or hybrid electric vehicle to PHEV, a plug-in, with conversion kits. It costs around \$5,000 to \$7,000 per kit. If a...this...we have a very complicated program how we'd offer these incentives over time as different vehicles became more available and as adoption rates increase, we would decrease those incentives. But in general, the incentives would range from a little less than \$4,000 per vehicle all the way over to, you know, ten-and-a-half thousand (\$10,500) per vehicle. Again, that would change over time as our goals are being met or not met, and they can be adjusted by this sustainable ground transportation fund manager and the county. So by doing these incentives we can greatly reduce demand as discussed.

And so if we look at our third scenario, the projected demand by 2030, if you include the KESP recommendations on this, especially the efficient vehicle incentives, and again using the 1.1% average annual growth rate for the population on Kaua'i, we can reduce gasoline demand to 20.2 million gallons per year and we hope that would be mainly ethanol, and by diesel we will reduce demand to 3.1 million gallons per year and we hope that would be biodiesel.

Switching to Recommendation 4.3, there are several long-term planning initiatives that have started. JoAnn Yukimura was very helpful in getting us that information. So we wanted to look at some more immediate initiatives which would add value to those long-term plans. Land use patterns have a major impact on energy demand by affecting how many vehicles you...sorry, how many miles you drive from home to business. So, that's...the metric there or how you measure that is in vehicle miles traveled or VMT. So we're proposing that three smart growth demonstration projects are initiated on Kaua'i, probably Līhu'e. Līhu'e would be the best. So, you know, the county and different folks can monitor those projects. So the first would be a stronger town center; second, higher density housing structure; and a skill center or business incubator, would be the three different demo projects here in Līhu'e. And this is based on a lot of the recommendations from the Sustainable Design Advisory Team (SDAT) and they did a study a few years ago that gave a lot of great foundational information to these smart growth initiatives.

Continuing on the integrated ground transportation demand management plan, quite a mouthful, is the county should cut bus fares in half to about a dollar, those are...the main line fees are now at \$2, to incentivize higher bus ridership. Again, we're diversifying our ground transportation modes. And the final one is we as concerned citizens could set up and administer a slug-line ride share program for Kaua'i. In the Washington D. C. area, there's a slug-line ridership, which is again free there, and over a website people indicate where...peop...where drivers could pick up other passengers to...so they could become part of this HOV, high occupancy vehicle, program that'll allow people to drive more quickly to work. So, on Kaua'i, there's not the HOV incentive, but I believe reducing their own out-of-pocket cost to get to work and back would be a pretty good incentive to do this ride share program.

Recommendation 4.4, we need to form a biofuels integrated refinery public/private partnership. So we're recommending with the sustainable ground transportation fund that we help buy down the cost of an integrated biofuels refinery. And with the PacWest deal that's been initiated recently, it's really changed the landscape for ethanol. So I think your ethanol feedstock has been determined. It is sugar. Sugar-to-ethanol refinery designs and processes are very efficient, very well understood, and the most appropriate diesel, I'm sorry biodiesel feedstock and refinery processes still need to be determined and supported.

Continuing on this recommendation, a refinery that can process both ethanol and biodiesel has certain advantages, very technical advantages. One is the thermal energy management so the waste heat, recoverable waste heat, from the ethanol plants are around 1200 degrees Fahrenheit. That waste heat can be used to run the biodiesel plant and they need heat around 240 degrees Fahrenheit. Second advantage, fuel substitution; biodiesel production requires about 10% methanol, but a biodiesel refinery, an integrated one, could use part of its ethanol in place of methanol with no net loss. It would also have a smaller footprint if you had an integrated refinery that did both ethanol and biodiesel.

So again, integrated biodiesel...biofuels and electricity pathway...pathways, plural, would increase diversity as shown on this diagram. There's a lot of information in this diagram, but the main point is you can use different feedstocks to do...to get different outputs and diversify those products and also reduce the risk of a developer or investor who wants to do, you know, we'll say sugar cane plant so with the cane juice they can make ethanol, the bagasse could go toward electricity production like the PacWest deal. If someone was going to grow soy beans or jatropha, whatever to make an oil, that oil can be used to make biodiesel or it can be made...it can be used to create electricity. Over time, we think algae is going to play a major role in producing both ethanol and biodiesel. I've got around 2020 pegged here in the diagram. So it's...those are for the two ground transportation pathways.

Again, this is a very complex system. If you look at the sustainable electricity pathways too, we could raise trees or grass. I would say leucaena trees or maybe banagrass would be the prime candidates. And with those outputs you can make ethanol and biodiesel, and you could also make electricity. With concentrating solar power, you can make electricity and that would be most effective when the sun is shining, obviously. In the rainier season when you have a lot of rain, you would have higher output from the hydropower. So those two I'm calling seasonable...seasonably complimentary and so we have to think about how those natural resources could be tapped and used most efficiently considering the actual climatic conditions on Kaua'i. And photovoltaics would obviously make electricity

very, very efficiently for...for Kaua'i. So, with all the electricity, it would, of course, go to the vehicles and homes and buildings. And the vehicles would be...could be charged by...through plug-in hybrid from...charging from the grid.

So again, this is a very complex system, but I think the diversity in these inputs and outputs are...are a very key way to mitigate the risk to developers and investors on Kaua'i.

When you're looking at different sustainable energy, you know, fuels and energy selections, land is a huge issue. So we're suggesting in Recommendation 4.5 you look at land repurposing. So land purposes and zoning, we need...we believe need to be addressed to ensure sufficient land for sustainable energy goal achievement. We might want to look at updating what might be considered now an outdated zoning system. We need to engage landowners, some state entities including DLNR, DHHL, maybe the county, whoever is in charge of land and ask...and come up with ways to use that land that can meet the goals for Kaua'i, and that's considering the energy and also food requirements for Kaua'i. And if we do that, if we commit more land to...to energy, I mean we have to look at trade-offs, be ver...that are realistic. Do we want pristine land, do we want sustainable energy, I think that's a huge community discussion that needs to be undertaken and I know it has started and we need to continue that and be very realistic in how we use the land, a very, very key asset, obviously, on Kaua'i. To...I mean part of that land repurposing would be to match the land in acreage to the feedstocks. We covered feedstocks a bit earlier. Sugar is the logical feedstock, we believe, for ethanol. It's underway with the PacWest deal. Biodiesel feedstock is less clearer. Four candidates jump out in our minds, jatropha, which could grow on marginal lands, it's non-invasive, and a barrier in the past has been a lack of mechanical harvesters. You know, labor use is not very cost effective, perhaps, on Kaua'i. We need mechanical harvesters. They are being developed. There are at least two or three companies that offer those mechanical harvesters now. Banagrass is a grass that grows very well on Kaua'i. They have very high yields per acre. Leucaena trees are nitrogen-fixing and we need far less fertilizer, especially nitrogen, for those trees or any other crop. So, probably not well known is that fertilizers, most of them require petroleum, and for the nitrogen, for example, in the form of urea, I believe, it takes a lot of natural gas to make that nitrogen. So the fourth candidate would be soy and it's another legume, it's another nitrogen-fixer, and if for some reason the biodiesel market is softened and that's what soy would go toward, there are other products that you can make with the soy, including tofu for human consumption or livestock feed alternatives, which you can make with the soy. It's the major, by the way, it's the major crop for biodiesel on the mainland.

We talked a bit about how PHEVs, plug-in hybrids, can be charged with renewable energy and Recommendation 4.6 says we should offer incentives to make that happen and mainly through buying down the cost of residential charging stations for those PHEVs. So they're very efficient...the PHEVs are very efficient and they cost probably half as much to operate as a liquid fuel vehicle. We're recommending \$1,000 incentives for residential charging stations in homes, so it'll allow homeowners to use nighttime hydropower and biomass energy that otherwise would be wasted. And KIUC has been very helpful in suggesting some of these ideas including hydropower and biomass. Those cannot be just turned off at night. So without some way to use that electricity, it could literally be wasted. So we think it's a very, very, very solid idea of one way to use those resources at night. So we went through lots of calculations and if we have 45 megs...megawatts (MW) of hydro and 30 MW of biomass that are online, we calculate 20,000 cars could be charged up at night and that...so we...we did a lot...in the calculations we used just

one-third of the daytime hours, so 8/24 or 1/3 to come up with these numbers of 20,000 cars. We would phase in these PHEV incentives and the...I'm sorry, the residential charging station incentives by 2015 as PHEV products are more available, and the hydro and biomass power is online. So again we're taking away the...we're reducing demand for the liquid fuels on Kaua'i with electricity, renewable energy.

A similar project has been modeled and demonstrated on the mainland in a municipally-owned utility called Austin Energy in Texas. They had a PHEV pilot project. They used the Toyota Prius hybrids and they also did a conversion kit, and they estimated that up to 100,000 PHEVs could be charged using nighttime electricity for that electricity system. So that wraps up the major ground transportation recommendations. Unless there's some questions, which we can maybe take later.

Let's switch to the electricity sector. Recommendation 6.1 are to implement energy efficiency retrofits on existing commercial and public buildings through energy savings performance contracting. Performance contracting is a proven method to enable energy efficiency and conservation in buildings. We estimate that would reduce demand by 10.8% over 20 years. And to oversee and to manage this process, we recommend that the county would need some additional capacity to assess the technologies, to work with the ESCOs, energy service companies, and to ensure the savings from those contracts. We believe three roles are needed in the county: an energy efficiency manager, a facilities energy manager, and a policy manager. And how that would work out in an org chart, I think the county would need to assess for themselves. To pay for these positions, we're recommending that we look at the 2.5% KIUC, Kaua'i Island Utility Cooperative, franchise tax which is now assessed by the county on KIUC. We are suggesting we take 15% of that 2.5% to pay for those three positions. So, the annual gross of KIUC, from their IRP, innovative resource plan, is \$137 million, you can see the full details on the PowerPoint. The 2.5% KIUC franchise tax would be over \$3 million...\$3.4 million. Fifteen percent of that franchise tax would be about \$514,000, which would easily pay for those three positions. And we...you know, just a side point is the energy savings from these performance contracts could probably replace or at least reduce that 15% franchise tax diversion over time.

Recommendation 6.2 is to adopt LEED and that's Leadership in Energy and Environmental Design standards for new commercial buildings. The LEED comes from the U. S. Green Building Council. They're a...it's a non-profit...from their programs. We can reduce, with LEED adoption, of 40% in new buildings. Currently the Hawai'i State Legislature required...requires LEED standards for new public buildings. We're suggesting Kaua'i adopt these same LEED standards for commercial buildings. We will reduce demand by 40% for a total reduction of 3.2% over 20 years.

Recommendation 6.3, the county's been active in pushing for the International Energy Conservation Code for buildings. We're suggesting that we adopt the 2009 IECC codes for new homes. Literature shows that IECC standards can save 15% in new home construction over time. The impacts, which we estimate is 3.2% over 20 years, is not huge, but there's some conditions on Kaua'i that are fairly, fairly unique. One is that it's a very small residential energy use. KIUC indicates the average is about 500 kilowatt hours (kWh) per month. Air condition use is also pretty low, about 2% of homes on Kaua'i have air conditioning currently. KIUC has also done a really good job of incenting and in selling solar hot water heating systems for home incentive with about 33% market adoption. We are also

recommending the county should not support low-income housing and exemptions to the IECC 2009 standards. I think over time...we think over time that would penalize the folks, perhaps, who can most benefit from energy savings.

Recommendation 6.4, this is actually...it sounds kind of simple and it is, but it will take some time to go through this, so bear with me. We are suggesting recommending that Kaua'i legislate feed-in tariffs to incentivize large scale renewable energy. Kaua'i has an excess of local, sustainable electricity generation potential as shown in the previous Black & Veatch chart. Why aren't we using more of it, why are we at less than 6% renewable energy? I would say that there's some real reasons, verifiable reasons. There's...one, there's no way to pay for these more expensive renewable energy systems and options. We've heard from developers that power purchase agreements between the power generators and the utility, they've been slower than expected sometimes. There's right now not a mechanism to guarantee return on high-risk investments, including, you know, the liquid fuels and renewable energy. And right now renewable energy generators do not have access to the grid to distribute their energy. So some real (inaudible) barriers we need to address. Feed-in tariffs could address all these barriers, however. Feed-in tariffs are basically price support mechanisms that have proven track records in incentivizing renewable energy in Europe, Canada, India, some in the United States, U. S. states and cities, and it's been adopted by the HECO utility on Hawai'i. Utilities...this is kind of the process how it would work, utilities basically put out an open solicitation for renewable energy generators. The amount would be set by hopefully the KESP target goals for electricity and the access to the grid would be guaranteed to these generators. So, it's again, it's really leveraging and utilizing the private sector and their great ideas and great technologies to find solutions for these problems and to take advantage of the opportunities, to be honest. So the feed-in tariff rates would be calculated to pay for the higher cost renewable energy in an open and transparent manner with a guaranteed return on people's investments. In Europe I've talked to the folks who have done renewable energy integration on grids there. From their experience, they're recommending a 15% internal rate of return, IRR, to mitigate the risk for investing what often is in multi-millions or even billions of dollars for these large scale projects. Oh, I just turned this off. There we go...to see if people are still awake.

So to calculate how the feed-in rates would be calculated, we looked at the generation costs in terms of levelized costs of energy or LCOEs. LCOEs take into account all the different capital expenses and operating expenses that would be required to keep the renewable systems online and operating. So that would be one part of the rate. The second is the non-generation costs and that's basically what utilities need to just manage the distribution of the energy, to make sure their lines are up to date and working, and again to just manage the...how the energy is delivered.

So we got a fairly complicated chart here of the different technologies we're recommending, including CSP, concentrating solar power; photovoltaic farms in larger scale; hydropower; and biomass or biodiesel and landfill gas. The sizes range from 30 megs...30 MW for CSP, 15 on photovoltaics, 45 on hydropower—you...we'll see that it's one of the more cost effective options in a second, 30 MW of biomass or biodiesel, 1.6 MW of landfill gas. If we look at the chart and on the far right we see this...the assumed levelized costs of energy and there's, you know, lots of ways to calculate this. We looked at data from...that KIUC provided to us. We looked at some reports that my company, SENTECH had generated, and we looked at some data that was put out by the U. S. Department of Energy as well as the National Renewable Energy Lab. So we tried to take the most appropriate, most relevant

data and come up with these costs. So you can see that CSP is somewhere in the lines of 26 cents per kilowatt hour...point, so that's the point two six one (0.261) on the right. Photovoltaics are a little more expensive on the solar side at about 41 cents. Hydropower is a...runs 7 cents, very, very cost effective. Biomass is something around 18 cents. Landfill gas is around 12 cents per kilowatt hour. (Inaudible.) Thanks.

Continuing on with these actual targets, we're going to call them. The reason we chose these targets...these megawatts in capacity, we have to think in terms of capacity factor or how much that potential energy or power is available over time. So the capacity factor looks at that as basically a percentage of what that power...of how available that power is over a year. So we take a percentage times how many, 8766, hours per year to get a capacity factor. With CSP with thermal storage, that's a very effective way to store energy in molten salts or hot oil, it's got a higher capacity factor than photovoltaics and better cost, lower cost. And the storage system, like I said, is more efficient and more cost effective than photovoltaics. With photovoltaics I believe we have factored in a sodium-sulfur battery to ensure voltage regulation. It's not as much for storage of energy as much as just to regulate the power that comes out of the photovoltaics. With the photovoltaics, we're recommending the 15 MW in photovoltaics that are already kind of ongoing. It's good to diversify the solar resources and technologies. And again, these are kind of planned and ongoing projects that have been undertaken by developers and the utility here. Because of the lower cost of hydropower, we wanted to, you know, max out on that as quickly as possible. It's a very well known commodity on Kaua'i. We're recommending we go up to 45 MW as soon as possible on hydropower. It's got a high capacity factor and very cost effective. With biomass/biofuels, we're recommending 30 MW, again high capacity factor, very cost effective. And with biomass, we can combust that in a boiler and firm up or make higher capacity factors for the concentrating solar power because they both have the common factor of steam. So concentrating solar power has the output of steam, which you can run into a steam generator to make electricity very, very efficiently. If the sun's not shining, e.g. during the rainy season, we can use biomass to back that up to again to make steam and to make that system a combined CSP/biomass system, very effective, very high capacity factor, very cost effective as well.

We've seen this chart before, how we can diversify the pathways with ethanol, biodiesel and electricity. I just want to reiterate that it's okay to talk about the different pathways in a plan like this, but in fact, they can be converged to be...to make the options more, more diverse, more cost effective and again to mitigate the risk to developers and to utility.

What would this do to rates if we implemented these plans, we met the KESP targets, and we did a feed-in tariff rate. If we took apart the generating and non-generating parts of the...of what util...what homeowners pay now in their utility bills, we're going to assume that 15 cents per kilowatt hour, about half of 30 cents per kilowatt hour, take 15 cents of that to go toward the non-generation charge, toward non-generation duties, and that's again at 30 cents on average, and we meet the KESB targets, a typical homeowner would pay 34 cents per kilowatt hour to achieve local sustainable energy production here on Kaua'i using resources we've discussed. And again we need to work with KIUC, with the Public Utility Commission, with the state, with DBEDT to enact feed-in tariffs. HECO has done it. They've got the legislation passed. I think they're working on their rates right now. It's a model that works. It's well proven in different countries in Europe. It's happening in...on the mainland. It's a great model, I think, to address many of the barriers here on Kaua'i and make sustainable energy a reality here on Kaua'i. And

once I...at least to me once I see that 34 cents per kilowatt hour charge, that takes away some of the fear of the unknown. I mean, it's a little higher than we're paying now, perhaps, but it's...just by knowing that number, it takes away some of that...the unknown.

Wind on Kaua'i. It's got a lot of attention in recent months and years, perhaps. It is now part of the KESP plan for several reasons. The endangered Newell Shearwater, another endangered bird in the mammal species, there are federal regulations addressing those species. I don't know that if the county, say wants to do wind, if they could trump those federal regulations. I don't believe so in talking with the Department of Fish and...Forestry and Wildlife here on Kaua'i and also talking with U.S. Fish and Wildlife. So another barrier to wind is community opposition centering on visual impacts or aesthetics, and also there's some problem in the rem...the remoteness of the best potential sites and getting that wind energy to the grid and distributed to where that needs...they need to do.

Another element...energy element on Kaua'i has been waste energy. It's not part of our plan. Again, it's on hold mainly due to environmental health concerns. The county is currently still assessing their options. If the county does decide to go forward, I think it would be very informative to assess the costs and benefits of waste-to-energy versus not doing anything with the waste versus shipping waste off-shore, etc. I think more information needs to be gathered and assessed in...on waste-to-energy. I think it would be very beneficial to Kaua'i to stay informed about cleaner technologies coming out of other areas of the world with perhaps better metrics including systems from Japan and Europe.

So we have these recommendations on the ground transportation and electricity generation sectors. How would the plan...this plan be implemented? I'm recommending...the team's recommending we form a sustainable energy coordination team and that would keep the plan on track and I think this team should include representatives of the county of Kaua'i, KIUC, the Kaua'i Economic Development Board Renewable Energy Committee, DBEDT from the state, investors perhaps represented by PICHTR, the environmental community and kind of a last minute addition was the actual KESP Energy Plan Advisory Committee, which has been just like a...George has indicated has been very helpful in getting us to where we're at now. Some of the roles and duties, it could ensure open communications between all the different, you know, stakeholders with their own interests, adjust our ground transportation electricity targets, review the feed-in tariff rates with the Public Utility Commission and KIUC, provide guidance to the management of the sustainable ground transportation fund, ensure sufficient funding for the county, and track progress towards the county's energy sustainability goals.

If this plan is implemented, I think it's important to think about the future of oil, imported oil, the cost of that oil, the risk taken by being dependent on an oil versus a more assured plan of using renewable, local renewable energy. This is a chart from the National Renewable Energy Lab, a guy named Terry Penny put this together. He heads their transportation business on...at (inaudible). He pulled together a group of industry experts in the oil industry who said, you know, peak oil has been in the news for decades, as far as I can remember, and that is when the world might be running out of oil. And even though the world might never really run out of oil, it could become so expensive as to be prohibitive. So by these...by gathering these industry experts, he wanted to take a look at when peak oil might really be imminent. This chart shows at the bottom the year 2010. If you go straight up, we see how again according to these oil industry experts, how we might

be very close to peak oil already. So if that does happen, we can assume production will be decreased, cost will be increased and if you look at the risk of doing something pretty innovative, like we're recommending here for Kaua'i, it really might not be that much of a risk if you look at how oil can become far more expensive over the fu...very, very future, very near future years.

Besides the energy benefits and how wise those investment right now would be in clean energy, in sustainable energy on Kaua'i, some of the non-energy benefits, I think we need to take into account. They're hard to monetize, but the facts are jobs will be created, the green jobs we talked about earlier. The local...the energy dollars we're spending would be kept local. We could revitalize the ag sector. We could potentially, especially if algae turns out to be as promising as we believe now. We could potentially export biofuels to nearby O'ahu, for example. We could become a model of sustainable living through sustainable energy.

And we've presented a lot of ideas here, made several, I believe, 10 recommendations. We have an open public comment period until January 24. Please let me know what you think of these recommendations. Have we missed anything? Have we gone overboard on recommending certain...certain recommendations? Contact me, Doug Hinrichs, 301-219-7647 is my personal cell phone, call me. You can also email me, dhinrichs@sentech.org, with feedback, with buy-in/lack of buy-in, positive/negative comments. We really do want to hear from the community and from the local leaders. So again, January 24 is the cutoff on that review period. We do recommend you contact me with recommendations. With that, Diane has some follow-up.

Ms. Zachary: I just want to say that for those who would like to see the complete draft plan, it is on the Kaua'i Planning and Action Alliance website. You can get to it by going to www.kauaienergysustainabilityplan.com and there's a lot of information there in addition to that draft plan, but the plan is available for you to review online or download, whatever works for you. It also includes an executive summary at the beginning so that if you don't want to read the entire plan, you can read the executive summary which covers really all of the points that Doug has just made here today.

Mr. Hinrichs: I want to thank Chairman Asing, if I could again, and the whole council as well as the county. They've been just tremendous to work with. KIUC has been very, very helpful as well. And all the citizens of Kaua'i, it's been...you've been very helpful in helping us devise these recommendations, so thank you to all.

Chair Asing: Thank you.

BC, Videographer: Check your mike.

Chair Asing: Thank you. With that, what we'll do is we'll open it up to questions from councilmembers, so. Before doing that, I want to thank you, first of all for the presentation, but I...boy, it's almost like for me, it's science fiction. I look and say, wow, this is, you know, I can't believe some of these things and you know, I get the...is this for real? Anyway, maybe I don't fully understand it, you know, in its entirety, but it's, you know, some of the recommendations and some of the things that is in here, the gasoline tax, wow. I mean it just throws me all over the place and I...you know, I must also tell you that Mr. Sato and I go way back, you know, like 20 years back and I can remember that electric vehicle that sat here. And we had for years and years and you know, it...it was supposed be 20 years ago

that it was the thing. It was going to happen and it was going to happen in a few years and that's 20 years ago, you know. And about five years ago, I believe, and Mr. Sato can correct me if I'm wrong, there was a turn on the opposite direction that the electric vehicle was no longer something that was viable. I believe that was about five years ago and then today it's going in the opposite direction now. So, I just wonder, you know, what is for real. What is it for real? But with that, I'll open it up to questions from councilmembers and thank you very much. Councilmember...

Mr. Furfaro: Mr. Chair, I'm spending additional time with them tomorrow...

Chair Asing: Okay.

Mr. Furfaro: ...as a committee member and in the afternoon, Councilmember Kawakami and I have an opportunity to get an update on some biofuels, so I have no comments. I'm very appreciative that the draft presentation is here.

Chair Asing: Thank you. Other councilmembers, any questions? If not, thank you very much. What I'd like to do now is we're going to end up receiving the item, thank you, and then I'm going to open it up to the public for anyone in the public who has any comments that they want to make. So again, thank you very much, appreciate it.

Mr. Furfaro: Thank you, thank you very much.

Mr. Hinrichs: Thank you all.

Chair Asing: With that I'd like to open it up to the public. Is there anyone in the public who wants to speak on this item? Glenn Mickens. Glenn please.

GLENN MICKENS: Good morning, thank you, Kaipo. I just have a...a few comments. First, I want to thank Doug and Diane for the fine presentation. That was long, a lot of good material and stuff they had in there. Let me just try and address just a couple of things. Kaipo, you just brought it up. Raising fuel tax by 50 cents a gallon, you know, basically that's going to really hurt the small person. The people who can afford it, they don't care if it's a \$10 tax on it. They can afford what they want to, but that would be a huge burden on the public to be able to do that. Mass transit, for me it's an unrealistic dream: (a) the cost would be prohibitive as O'ahu is finding out; (b) studies have shown that any new transits are only getting about 5% of transporters out of their vehicles and by the time any of these new transits are finished, the increased population in new vehicles on the road is greater than the people who will use the mass transit; (c) increased miles per gallon by hybrids or electric vehicles, those are good ideas, but I agree with Kaipo. You know, I remember in California 20 or 30 years ago, the...they were giving...General Motors was giving these electric vehicles to people experimentally. It went nowhere. You know, in...in sound it...it's a great idea, but I still...I know my great friend Ray Chuan always said it was taking more energy to put into those things than you were getting out of them and I'm...you know, I know that the battery...new batteries and things they're getting is going to be a factor that may do it. I don't know. It would be a real good sol...solving problem here, especially on an island like Kaua'i if...if you did have these. But that, for me, has to be seen.

The masses of people on the island will not vacate their vehicles for buses or any other alternate transportation for convenience, for recreation, for emergency, for getting from point A to point B, the private vehicle will remain the major means of transportation, and I ask anyone in this chambers that denies that particular thing. You got a vehicle, you're going to use it period. You saw what a disaster that bike day was to transport...to get people to work. It was a disaster. It's not going to happen. In the real world it won't happen. You're going to use that vehicle if it was there. You migrated from the horse and buggy to your car, and that's going to be your major means of transportation.

My recommendation would be find a way the hybrid vehicle, that Prius is still the number one vehicle in the United States being used that people will go back and buy again. I think it's a great idea. I think they keep increasing it. Toyota and other car manufacturers are doing the same thing and I think that's an outstanding idea if they could get...but I think you're going to still have to find subsidization by the Governor or somebody to make them more affordable for people because, you know, the price of a hybrid over (inaudible) like what \$5,000 and \$6,000 more per vehicle I think and I think you're going to have to be able to address it, but I think they are definitely the way to go. Their pollution factor, everything, people that have had Priuses, I don't know how many people in this room have had a Prius or have a Prius, but I think they're a great idea. I know that Ken Taylor has one and you know, they get 50 miles and I think the new ones are getting even better than that. So I...I think this is obviously the way that we...we should be...be going. Put more roads on the island, increase the...the transportation part for the people to be able to use their individual vehicles because that's the way you're going to go. Thank you, Kaipo.

Chair Asing: Thank you. Is there anyone else? Yeah, go ahead, come up.

Mr. Hinrichs: Thank you. Thank you for those comments. Thank you for the opportunity to address those briefly, if I may. The...it was mentioned that 50 cents per gallon county fuel tax would be a burden on folks. We really thought about different options, different ways to really, you know, shift the paradigm and we think that this tax would probably do that. And I point out that I believe gas is now around \$3.50?

(Inaudible.)

Mr. Hinrichs: Sorry. I believe now gasoline is around \$3.50. Adding 50 cents to that will bring it to \$4. What if the point where in 2008 we saw all conservation efforts being achieved. I believe on several islands of Hawai'i back in 2008, \$5 per gallon was not unheard of. We thought with the impact on all different folks of this recommended fuel tax we wanted to make sure it was actually as fair and equitable as possible. We did not want...we did not consider a percentage. We wanted a flat 50 cents, so it's kind of...it's an easy thing to kind of get your hand on and handle. On...someone mentioned the poor folks might be more affected by it. That is probably true in the very short term, but by using these incentives that we'd raise money from the tax with...those incentives would in fact buy down hybrid electric vehicles, not electric vehicle, very important distinction, and make them more affordable for folks. So hopefully we could just shift the transportation from cars as the kind we use now to plug-in hybrids and hybrid electric vehicles. So the electric vehicle that was mentioned that sat around and wasn't really cost effective or effective for awhile, that is different in that...different

today than from today's hybrid electric vehicles like the Prius which uses larger batteries and also has a gasoline engine. So it's...that's why it's a hybrid, to do both, very important distinction.

The next step is to plug those same cars into the grid at night using renewable energy. I just want to make those distinctions. EVs versus HEVs versus PHEVs, a lot of acronyms, very important to keep those distinctions in mind.

We mentioned that someone...I'm sorry I forgot, (inaudible) your name, but thank you, mentioned that people if they have cars available they will use them. It's probably true. I don't know. I didn't want to prescribe people to give up their cars at all and that's why we wanted to incent more efficient vehicles that people want to use them. There are right now also bike ride...bike ride...bike ridership improvement programs, bike path improvements, that's...that's ongoing. As far as highways, we'll also mention there's a highway modernization plan that's also underway. We didn't go into some of those because they're ongoing, kind of outside this plan. So I just want to address those issues, so I hope that adds some clarity to those issues raised.

Chair Asing: Thank you. Councilmember Bynum.

Mr. Hinrichs: Hey, Tim.

Mr. Bynum: Yeah, let's talk about this for a few minutes.

Mr. Hinrichs: Okay.

Mr. Bynum: Because I'm glad you came back because there was two sides of that. The shocking part is 50 cents a gallon.

Mr. Hinrichs: Sticker shock, I...I...I know.

Mr. Bynum: And I remember Jimmy Carter proposing 50 cents a gallon nationally when gas was like a buck and a quarter.

Mr. Hinrichs: Much higher percentage, right?

Mr. Bynum: And his argument was we will be paying this, but are we going to use that revenue to meet our energy needs or are we going to ship it somewhere else? So you can make a similar argument now.

Mr. Hinrichs: It's true.

Mr. Bynum: But to understand your plan clearly, the flip side of that would be these incentives and I'm looking at your chart...

Mr. Hinrichs: Right.

Mr. Bynum: It's basically saying that if you bought a new hybrid, there would be a \$3800 roughly...that you'd get \$3800 in order to do that, right.

Mr. Hinrichs: Exactly.

Mr. Bynum: And if you're like me and you already have a Prius, you could, according to this chart, do a conversion and basically that would be paid for.

Mr. Hinrichs: Yes.

Mr. Bynum: And, you know, I know I used to get just 14, 15 miles per gallon. Right now my wife drives a pretty good commute and gets...is averaging 50 real, 50 miles.

Mr. Hinrichs: Yeah, once we started...again once we looked at these numbers, boy that's, in the gasoline sector, we think we can reduce demand by 70%. I mean it's amazing.

Mr. Bynum: So I just thought in all fairness you needed to say that real simply. Yeah, it's...you look at that and go wow, 50 cents, can we really do that and is it equitable. But if that meant that the next car you buy as a Kaua'i citizen can be a plug-in hybrid that gets 75 or 80 miles on a gallon and these...so you're paying the 50 cents here but you're getting the ability to actually purchase that vehicle. Maybe you were going to purchase a vehicle anyway and the difference of cost may be covered by this incentive in terms of currently those hybrids are still a premium, right? They cost more.

Mr. Hinrichs: Yeah, they are, they are definitely. But I think you raised some great points if I could address those quickly. You're right about what do we do with those proceeds. Do we keep shipping those dollars off to, you know, the Middle East or wherever for imported oil? Or do we keep them local and let them grow different jobs and markets here on Kaua'i. I would recommend the latter as a much better investment. So, thank you for that reference, that's a good point. And ...

Mr. Bynum: I just wanted to say I understand what you're proposing here and it is pretty radical, but you're also saying that we need to have a paradigm shift and...

Mr. Hinrichs: That's...that's...

Mr. Bynum: And that means...we need...you know, the world has changed and we need to do some pretty bold leadership things to make a difference and we do have an opportunity, being an island, maybe to do that. So, I understand the propo...I just want to be clear. I understand the proposal and that the public hear both sides of that. Did I get this right, Doug?

Mr. Hinrichs: Absolutely, Tim, thank you for...for clarifying those and adding those comments. Yeah, a paradigm shift is what we need here. I mean, business as usual, we can keep doing the same thing and not much will change. You'll still be relying on imported oil which will cost, you know, I'm not a seer in the future, but I would guarantee, almost guarantee that oil's going to increase over 20 years, over the next 20 years. So, it's a good investment besides all the sustainable, you know, benefits as a community investing in clean energy now, sustainable energy. But it's going to promote...it's going to give us dividends back. It's going to be a good investment and will in fact over 20 years I think be cheaper than relying on oil. Paradigm shifts don't come cheap, but they have upfront cost then we get paid back later.

Chair Asing: Okay, thank you. You have a question? Go ahead.

Ms. Kawahara: Thank you, Chair. I'm glad you came back too because I did have a question.

Mr. Hinrichs: Sure.

Ms. Kawahara: In your recommendations for the successful plan implementation, was there a reason or why you didn't include the visitor industry, which is, as everybody knows, such a large part of the island fabric? And hotels are, you know, they generally take in a lot of energy, and I'm curious as to why they wouldn't be part of a group of people that are going to help successfully implement this...

Mr. Hinrichs: That's a great idea.

Mr. Furfaro: Could I answer that because...

Mr. Hinrichs: Sure. Thanks, Jay.

Mr. Furfaro: I just want to point out that I don't think they were left out as much as Mr. Costa and myself, if you put your time together in the visitor industry, both of us are regular conduits to issues for the hospitality group. And in fact, many of the hotels here have found themselves implementing their own internal programs that are complimentary at what is going in the project. I think it's an excellent point that you made. There isn't someone outside of the group participating, but I think Mr. Costa has been President of the Hotel Association. I have been President of the Hotel Association twice, and so they do have some representation in the participation, but they're not directly reflected there.

Ms. Kawahara: Okay.

Mr. Hinrichs: It's a good point.

Ms. Kawahara: Is there going...I under...I understand that you're a representative and appreciate that. I was just wondering if there would be an official representative...

Mr. Furfaro: Good point.

Ms. Kawahara: ...from the hotel...

Mr. Hinrichs: It's a good idea.

Ms. Kawahara: ...the hotels here.

Mr. Hinrichs: Yeah, it's a good idea.

Ms. Kawahara: Okay, thank you.

Mr. Furfaro: I just wanted to point out that of the seven standing members, two of us probably have 50 years of resort experience.

Ms. Kawahara: Yes, yes, and that's...

Mr. Hinrichs: And we have talked to several hotel folks and we understand their needs. We believe and in the full report, which is, you know, I don't know how many total pages, 200 pages, so we do talk about some conventional technologies as well as emerging technologies that could be very applicable to hotels, including...I think we mention briefly solar thermal cooling which could reduce their air conditioning load, take it off the grid, take it off the electricity grid by using solar thermal energy. So there's some different technologies, solar, flooding tubes, KIUC was...

Mr. Furfaro: Air conditioning, circulating pumps...

Mr. Hinrichs: Right, right, besides HVAC and lighting. In the full report we do mention some things, but I think it's a really good suggestion to include them in the...in the...

Ms. Kawahara: Okay, okay, thank you, and...

Mr. Hinrichs: ...in the coordination team.

Ms. Kawahara: So I can find something in here...this report...

Mr. Hinrichs: Yes.

Ms. Kawahara: ...detailing a little bit of...

Mr. Hinrichs: Yes, on those technologies I mentioned.

Ms. Kawahara: ...assistance. Okay, thank you.

Mr. Hinrichs: Sure.

Chair Asing: Thank you.

Mr. Hinrichs: Okay, thank you.

Ms. Kawahara: Thank you, Jay.

Mr. Furfaro: Yeah, it's a very good point, but I just wanted to make sure that there was not representation.

Chair Asing: Okay, go ahead, Tim.

Mr. Bynum: I just have a process question.

Chair Asing: Okay.

Mr. Bynum: In terms of we just received this plan today.

Chair Asing: Yes.

Mr. Bynum: We...and there are public meetings coming up, and so in terms of process, we may have an opportunity at the council level to speak with Doug again in the future because I have questions that I'm not prepared to ask now because I want to read it in its entirety.

Chair Asing: Okay. Yeah, I think it's going to take a little time, Tim, to digest this anyway, (inaudible) so, kind of lengthy and we need to digest it and then I'm sure we can ask questions after we digest everything. Yes, go ahead, Dickie.

Mr. Chang: Thank you, Chair. You know for the purposes of digesting, when we have our speakers, can we make reference to the page that we're talking about, please?

Ms. Kawahara: Oh, sure.

Chair Asing: That's fine.

Mr. Chang: So we can follow along.

Mr. Bynum: Because his PowerPoint is...has page numbers.

Chair Asing: Okay.

Ms. Kawahara: Yes.

Chair Asing: Yeah, okay. The rules are suspended. Mr. Taylor.

KEN TAYLOR: Chair and members of the council, my name is Ken Taylor. I also would like to thank Diane and Doug for a good report. There are some issues in here that are very concerning to me and I hope that, as Tim mentioned, that there'll be other opportunities to talk about this after we've had more time to digest the whole thing. But a couple things that come to mind quickly is a two-week comment period, closing on the 21st of January. I think that's way too short. Tomorrow, as my understanding, is the public meeting to make this similar presentation. The public is going to have to have time to read and digest the whole se...the whole report as you will and I think that that timeframe should be put out at least a couple more weeks. One of the things that was quite disappointing in seeing the different options of electricity generation was wave energy. I know it's a fairly new technology and there's still a long ways to go, but it...it's not a whole lot different than the...the real technology needed in...in batteries to make electric cars more efficient and more realistic. So I think wave ener...energy is...is...should be added to the mix. It's a 24/7 option and it's not a real eyesore to the local landscape and that's important. And the reality of whether we...what we agree or disagree with in...in the whole plan, what it really boils down to, will we have the political will to move forward with this and therein lies the whole issue and it's going to...I mean reality is we've come to the end of cheap oil. Our lifestyles are going to change. It's not ever going to go back to what it has been, and unfortunately, my good friend Glenn, he wants to stay with the past and not realize that we're moving into a future and...a very different future. And so, thi...this is reality and on page 14, the graph, I...I'm...I'm really concerned that 54% is again donated to personal vehicle options and I really believe that the future is not going to be with personal automobiles in that...in that kind of a mix and that number should be much smaller and...

Mr. Nakamura: Three minutes, Mr. Chair.

Mr. Taylor: The smart growth option should be greater and municipal transportation much greater than what's projected here. Thank you.

Chair Asing: Thank you. Go ahead, Councilmember Furfaro.

Mr. Furfaro: Yes, I want to thank you, Ken, for your testimony. Am I hearing that you feel that the public period should be extended by at least another two weeks.

Mr. Taylor: At least.

Mr. Furfaro: At least, okay. And then I also want to share with you that you know the final document is in fact the plan and the recommendations that can be done. But the action, you're quite correct in...the action needs to be taken by state...

(Inaudible.)

Mr. Furfaro: ...KIUC, and the county through ordinances. And I, you know, I do have one part to one of the ones that I'm most concerned with is the fact with the expansion of photovoltaic, there is a capital investment, but there is land that needs to be acquired for the purpose of the development, the capital investment that goes into it. So, we perhaps need to have legislation that frames the tax that's associated with producing alternative energy. You know, if somebody acquires open and ag space land, this is just an example, and they're going to invest in photovoltaic.

Well, as soon as they make the investment, do we then change...change...change the land base to a commercial tax base, which might actually prevent them from making the investment. So, you know, we have to...I agree, we have to have the political will to look at those types of things, but I want to also at the same time say that the county is not the only agency that needs to have the...the political will, the financial investment and the strategic thinking that goes along in possibly implementing what's in the plan, but very good point, Ken.

Mr. Taylor: Yes, it takes all...all the players, there's no question about that and one of the things over the past few years that's been troubling to me is that there's been a lot of discussion in the community with...about alternative energies and how it's going to save money. My personal belief that it's not going to save a lot of money upfront but down the road it's going to save tremendously and there's the benefit in...of investing today. And how we get there, the 50-cent tax on gasoline is certainly one of them. There may be some others that are needed because we are faced with major, major investments to change over. And therein lies the difficulty and the requirement for political will.

Chair Asing: Thank you. With that, is there anyone else in the public who wants to speak on this item. If not, I'll call the meeting back to order and can we have a motion to receive.

There being no one else wishing to speak on this matter, the meeting was called back to order, and proceeded as follows:

Mr. Chang moved to receive C 2010-07 for the record, seconded by Mr. Furfaro.

Chair Asing: Any discussion?

Mr. Furfaro: One further comment.

Chair Asing: Yes, go ahead.

Mr. Furfaro: I think in just closing with Ken's last observation, people do need to relate...for us to get to a point where we can manage the cost of energy, the startup is not cheap. That's just something I wanted to concur with.

Chair Asing: Thank you, Councilmember Bynum.

Mr. Bynum: Yeah, just to repeat what I sa...I...there's a lot in here. A lot of us have worked on it and hopefully we'll have an opportunity to have a dialogue at the council level again. I'm sure we will because they're making specific recommendations and we will have to decide if we want to implement those or not, but just one short comment about the public transportation aspects. You know, some behavior change happens by choice and some behavior change happens by necessity. I'd love to have a big giant SUV, V-8, you know that may be my choice, but the necessity of the reality is that's never going to be in my future again, no, it's going to be small cars that are fuel efficient and...because out of necessity. For an increasing percentage of our population, ownership of a private vehicle is not a choice for them anymore. We have an increasing group of people who are dependent upon public transportation because that's what their budget can allow and those changes...and so improvements to public transportation are important as a social justice issue in terms of having all of our citizens be equal participants in their community and in their government. So, I appreciate this report. I'm going to take time to digest the 200 pages here and then I hope we have dialogue again in the future. Thank you, Mr. Chair.

Chair Asing: Thank you. Any further comments? If not, thank you very much for the presentation. It is lengthy. I guess, my...my first science fiction comment, yes, I think it's...there's a lot to it, let's put it this way. And I guess, you know, Tim brought out maybe some choices will not be available out there. You know, you got a whole range of people out there and the range is wide. There are people that just cannot and will not be able to afford some of the recommendations that I see here, and that's also real life too, you know, getting all the breaks, but getting the money upfront to do it is what people cannot afford. Yes, you get the break, but you spend the money first to get the break and that money is not going to be available to some portions of the population and I'm going to guess that it is going to be a major portion of the population is my take on it. So, we've got some work ahead on trying to...trying to put the pieces together. So with that, thank you very much.

The motion to receive C 2010-07 for the record was then put, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Council Chair, we're back on page 1 of the council's agenda on communications for receipt, on page 1 communication C 2010-01, C 2010-02, and C 2010-03 for receipt.

C 2010-01 Communication (11/30/2009) from the Environmental Services Management Engineer, Department of Public Works, transmitting for Council consideration, a draft bill amending Chapter 21, Article 7 of the Kaua'i County Code 1987, that addresses conditions imposed by the Hawai'i State Department of Health

in the newly issued operating permit for the Kekaha Landfill: Mr. Furfaro moved to receive C 2010-01 for the record, seconded by Ms. Kawahara, and unanimously carried.

C 2010-02 Communication (12/01/2009) from the Chief of the Building Division, Department of Public Works, transmitting for Council information, the Building Permit Information Reports for November 2009 that includes the following:

- 1) Building Permit Processing Report
- 2) Building Permit Estimated Value of Plans Summary
- 3) Building Permits Tracking Report
- 4) Building Permits Status

Mr. Furfaro moved to receive C 2010-02 for the record, seconded by Ms. Kawahara, and unanimously carried.

C 2010-03 Communication (12/10/2009) from the Director of Planning, transmitting the Planning Commission's recommendation relating to Proposed Draft Bill No. 2342 to implement the Līhu'e Town Core Urban Design Plan of 2009 and amend Chapter 10, Article 5 of the Kaua'i County Code 1987 to establish special planning areas for the Līhu'e Town Core, and exceptions, modifications and additions to Chapters 8 and 10 of the Kaua'i County Code: Mr. Furfaro moved to receive C 2010-03 for the record, seconded by Ms. Kawahara, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: We're on page 2 of the council's agenda on com...I'm sorry...

(Loud talking in the gallery.)

Chair Asing: How about cut...

Mr. Furfaro: (Inaudible) in the audience.

Chair Asing: ...cut the discussion down, please.

Mr. Nakamura: On page 2 of the council's agenda, further communications for receipt, communication C 2010-04, C 2010-05, and C 2010-06.

C 2010-04 Communication (12/23/2009) from the Mayor, requesting Council consideration and confirmation of the following appointments and reappointments to various Boards and Commissions for the County of Kaua'i:

- (1) Building Board of Appeals
Lawrence J. Dill (*Engineer*) - Term ending 12/31/2012
- (2) Cost Control Commission
Linda Fayé Collins – Filling an unexpired term ending 12/31/2011
- (3) Fire Commission
Jan C. Rudinoff – Term ending 12/31/2012
Basilio Fuertes, Jr. – Term ending 12/31/2012

(4) Police Commission
George Tiffany – Term ending 12/31/2012

(5) Salary Commission
William Dahle – Term ending 12/31/2012

C 2010-05 Communication (12/24/2009) from the Director of Finance, requesting Council consideration of a draft bill authorizing the issuance of general obligation bonds of the County of Kaua'i for the purpose of financing certain public improvements and refunding certain bonds of the county; fixing or authorizing the fixing of the form, denominations, and certain other details of such bonds and providing for the sale of such bonds to the public.

C 2010-06 Communication (12/24/2009) from the Director of Finance, requesting Council consideration of a proposal to amend Ordinance No. B-2009-691, relating to capital improvements and financing thereof for the Fiscal Year July 1, 2009 to June 30, 2010 within the Bond Fund and General Fund to address the proposed issuance of the County's 2010 General Obligation Bonds.

Chair Asing: Thank you. Can I have a motion to receive.

Mr. Furfaro moved to receive C 2010-04, C 2010-05, and C2010-06 for the record, seconded by Mr. Chang, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: At the bottom of page 2 for approval, communication C 2010-08.

C 2010-08 Communication (12/02/2009) from the Director of Housing, requesting Council approval to decline repurchase of Unit No. 407, Hookena at Puhi, located in Puhi at 2080 Manawalea Street, Līhu'e, Hawai'i 96766, and provide the owners a one-year waiver of the County's repurchase right effective the date of the Council's decision: Mr. Chang moved to approve C 2010-08, seconded by Mr. Furfaro, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: On page 3 of the council's agenda, for...communication for approval, communication C 2010-09.

C 2010-09 Communication (12/09/2009) from the Chief of Wastewater, Department of Public Works, requesting Council approval to replace two (2) Air Flow and Temperature Instruments at the Wailua Wastewater Treatment Plant (WWTP) at a cost of approximately \$10,000.00, in which funding for the replacements (\$10,000.00) is available in the Wastewater Division Equipment Repair and Maintenance account: Mr. Furfaro moved to approve C 2010-09, seconded by Mr. Bynum, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next matter on page 3 is communication C 2010-10.

C 2010-10 Communication (12/24/2009) from the Fire Chief, requesting Council approval to fund the cost of the acquisition of a public use helicopter via a 10-year lease to be used to enhance and support search and rescue, firefighting, ocean safety, training and other services of the Kaua'i Fire Department and other departments in the County of Kaua'i.

Chair Asing: Can I have a motion to refer this to the Budget & Finance Committee.

Ms. Kawahara moved to refer C 2010-10 to the Budget & Finance Committee, seconded by Mr. Chang.

Chair Asing: Any discussion?

Mr. Furfaro: Yes, I have some discussion.

Chair Asing: Go ahead.

Mr. Nakamura: Council Chair...

Mr. Furfaro: I just want to point to the members here, there's two parts to this. There is this communication asking us to actually enter into a 10-year agreement on a lease to enhance the support needs of rescue for the Fire Department. But this communication indicates that we're giving approval to a 10-year lease purchase, the money bill coming later. So, therefore, I do support referring this to Budget & Finance and I just want to make it clear.

Chair Asing: That's the one at...to...February 27 meeting.

Mr. Furfaro: Yes.

Chair Asing: Any discussion? Further discussion?

Mr. Bynum: Yeah, if it will be to that date specific...the motion.

Chair Asing: Yeah.

Mr. Furfaro: Yes.

Chair Asing: Yes.

Mr. Bynum: Yes.

Chair Asing: Okay, any further discussion.

Mr. Nakamura: I'm...I'm sorry, Council Chair. Just...just for clarification. This would be for the January 27th Budget & Finance Committee meeting that it's being referred to.

Chair Asing: Yes.

Mr. Nakamura: Thank you.

Chair Asing: Okay, any further discussion?

Mr. Furfaro: Oh, I'm sorry, I have February. It is January.

Mr. Nakamura: January 27th.

Mr. Furfaro: Got it.

Chair Asing: Yeah, 1-27.

Mr. Bynum: But the bill's going to public hearing before it goes to committee? So we're...we refer...

Chair Asing: No.

Mr. Bynum: ...this to the committee.

Chair Asing: No, this is not the...the bill.

Mr. Furfaro: This is the communication.

Mr. Bynum: Right.

Chair Asing: This is the communication. We're talking about the communication right now.

Mr. Nakamura: Yeah, I think...I think ac...actually, Council Chair, on the bill that was attached to this, Bill 2345, which will be on first reading later on in the agenda, the public hearing will be after this committee meeting.

Chair Asing: Right.

Mr. Nakamura: So this will be before the public hearing.

Chair Asing: It'll be after. Okay. With that, any further discussion.

Chair Asing: I...I'm sorry, can we recap what we...just for clarification.

Mr. Furfaro: Why don't we let the clerk summarize this again.

Chair Asing: Go ahead, Peter.

Ms. Kawahara: Thank you.

Mr. Nakamura: Mr. Chair, the motion was to refer communication C 2010-10 to the January 27th Budget & Finance Committee.

Chair Asing: Okay. With that, any further discussion?

The motion to refer C 2010-10 to the January 27, 2010 Budget & Finance Committee meeting was then put, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next matter for approval is a Legal Document attached to communication C 2010-11.

LEGAL DOCUMENT:

C 2010-11 Communication (12/24/2009) from the Executive on Transportation, requesting Council approval to indemnify the Kawaihoa Development LLP to establish a bus stop on their property at the Po'ipū Bay Golf Course.

- Right-of-Entry Agreement by and between the County of Kaua'i and Kawaihoa Development LLP to establish a bus stop on their property at the Po'ipū Bay Golf Course.

Mr. Furfaro moved to approve the legal document attached to C 2010-11, seconded by Mr. Chang, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next matters are claims, communication C 2010-12 which is a claim filed against the county by Kevin Carter, C 2010-13 which is a claim filed against the county by Alex Soares, and communication C 2010-14 which is a claim filed against the county by Curtis Lofstedt.

CLAIMS:

C 2010-12 Communication (12/09/2009) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Kevin Carter, representative for McDonald's Restaurant, for damages to the McDonald's Restaurant in 'Ele'ele, pursuant to Section 23.06, Charter of the County of Kaua'i: Mr. Furfaro moved to refer C 2010-12 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Mr. Chang, and unanimously carried.

C 2010-13 Communication (12/10/2009) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Alex Soares for damage to his vehicle, pursuant to Section 23.06, Charter of the County of Kaua'i: Mr. Furfaro moved to refer C 2010-13 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Mr. Chang, and unanimously carried.

C 2010-14 Communication (12/14/2009) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Curtis Lofstedt, owner, Island Helicopters Kaua'i, Inc., for damages to the business site at the Līhu'e Airport, pursuant to Section 23.06, Charter of the County of Kaua'i: Mr. Furfaro moved to refer C 2010-14 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Mr. Chang, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Council Chair, next matter starting at the bottom of page 3 are resolutions for approval. First resolution for approval is Resolution No. 2009-75.

RESOLUTIONS:

Resolution No. 2009-75, RESOLUTION CONFIRMING MAYORAL REAPPOINTMENT TO THE POLICE COMMISSION (Rowena Tachibana, Second Term): Mr. Furfaro moved to adopt Resolution No. 2009-75, seconded by Mr. Chang.

Chair Asing: Any discussion? Yes, Councilmember Bynum.

Mr. Bynum: Thank you, Mr. Chair. Just as we start working on these approvals, I just want to make a few comments and...regarding the Boards and Commissions and some of the things that I've heard the community dialoguing on, I just want to respond to. When I look at the list, the entire list of our current Boards and Commissioners and the ones that we are adding today, I'm very impressed with the diversity and the appropriateness of the vast majority of the individuals that are serving as Boards and Commissions, and I want to recognize and thank all of those citizens that are stepping up as volunteers to help make our government and our community a better place. But the idea that the council ha...because we've approved I think probably everyone that's come here, there's been this sentiment in the community that we're not doing our due diligence and I just want to publicly disagree with that. I think that all of us here at the table took time to understand who the applicants were or who the commissioners were. We knew a lot of them previously and...I'm sorry...and you know what, I think it's a great group. I'm very impressed with the previous Mayor and the current Mayor, the individuals they've selected, the people that they've put forward, that they meet the needs of a diverse group of people in our community. And I don't think it's the council's role to...at least speaking for myself, if the people are stepping up to volunteer, they meet the criteria, they seem to have something to contribute, those are the kind of analyses that I do when I'm going to make my vote, I'm going to approve them. And so I think it's expected that the majority of...that...in most circumstances the vote would be to approve because people are stepping up to volunteer, they've been screened, they've been interviewed here, we've had opportunities to ask questions and it would kind of be an extraordinary situation where I felt somebody wasn't qualified and then I would, you know, make an appropriate vote. But I just want to really recognize the great group of individuals and I'd encourage the public to look at the listing of these folks. You're going to know some of them. You're going to know and the ones that I haven't known, I've had an opportunity to speak with, see what their background's in and the sincerity of their desire to contribute to the health and well-being of our community. So, thank you for letting me make those comments.

Chair Asing: Thank you. Any further discussion? Go ahead, Councilmember Chang.

Mr. Chang: Thank...thank you, Chair. I was going to wait till the end to make my comments, but I just want to echo Councilmember Bynum. First of all, I do agree that all of the...those that were nominated are excellent community members, but more importantly, I think the key here is that they are volunteering. And I believe that many of them took this opportunity seriously. They mentioned about wanting to give back and serve the community, and you know, during the screening process, if somebody couldn't quite answer the question, I think most importantly they were able to let us know that they were eager to learn, they sat on various other Boards, and like many of us, things as such comes as an on-the-job training and many of them have the ability to adopt...adapt and catch on very, very quickly. And another point that I just wanted to make was that

of all of the nominees, there was one that reconsidered and decided to, you know, politely withdraw his name from consideration. So, those that wanted to go through the process gave it great, great thought about following through for their responsibilities for the community. So, with that as we go through the list, I do plan to support every one of them, but I just, in advance, wanted to thank them for stepping up to the plate for our community. Thank you.

Chair Asing: Thank you. Is there any further discussion? If not, I'd like to suspend the rules. You have a question? You want to speak on an item, Ken?

There being no objection, the rules were suspended.

KEN TAYLOR: Chair and members of the council, my name is Ken Taylor. I don't think any of us in the public disagree with the individuals that have stepped up and...to offer their services to the county, the community, in...in picking these positions. I think the concern that's been raised is whether or not the process is being followed according to the charter. And I think that's an issue that is very important as well as these individuals stepping forward. Following the charter or the rules and regulations set forth in the charter, it's your responsibility and as I said yesterday, you took the oath of office to uphold the charter, and I believe that is where the problem is falling apart in where you folks need to step up to the plate and follow the charter recommendations and then move forward with the project at hand. Thank you.

Chair Asing: Thank you. Councilmember Bynum.

Mr. Bynum: Can you...Ken, can you give me an example where we haven't followed...stepped up and followed the charter?

Mr. Taylor: I don't particularly have the...the charter information in front of me. I believe Rob raised some important issues yesterday. Unfortunately he went off to...because he had some additional information that he wanted to write up real quickly and was hoping to get back for this discussion. But he's done a lot more due diligence on the charter issue than...than some of us have and, but we believe that you have an obligation and...and if...if that is indeed so...I mean the charter's the charter and it's...it's the constitution of the county and your responsibility to uphold that issue. And it...it's nothing to do with the...the individuals that have applied for or volunteered to fill these positions. Thank you.

Mr. Bynum: Okay.

Chair Asing: Thank you. Go ahead.

Mr. Bynum: I appreciate those comments and I wanted...I know I swore an oath to uphold the constitution and the charter, and I take that very seriously. And so...and I very much appreciate your testimony, Glenn's, Mr. Abrew's, who I spoke with today. I'm one that thinks it's wonderful that we have concerned citizens that are holding us accountable. That's what democracy's all about, I like it a lot. I don't always agree with the positions that people take and it's very often the case that it's citizens like yourself or Bruce or Rob who point out areas that we need to pay more attention to and I'm appreciative of that. Rob has talked about provisions of the charter that say the Boards have to be balanced in terms of party affiliation. And when he brought up those issues, I went out and checked it out, and talked story with the Boards and Commissions people. They are

charting all of that. They are meeting all of the criteria. This morning he brought up an issue about...in the charter that says that one of the criteria is to be eligible elector...electorate...

Mr. Chang:

Regis...registered voter.

Mr. Bynum: Yeah, right, which turned out to be registered voter. I just got handed a note that, you know, that has been screened and each person there...the charter language is "each commissioner shall, at the time of appointment, be a duly qualified resident elector of the county." And so, you know, that question came up this morning. And I appreciate that because I want to...you know, we're human beings and sometimes we miss something. But I feel confident and I've been assured by this note here that that has been screened and that the Boards and Commissions understand that part of the charter and have seen that each of the people apply to that. In terms of...I appreciate you saying you're not objecting to any individual and I'll just...you know, I like having open and blunt dialogue, but you know there was stuff in the newspaper saying that well, presumably all of the people have agreed to support the Mayor's position on issues, and I don't believe that that's true at all. I've asked many of the applicants during our interviews, were you asked to conform to any position and all of them were kind of offended by that and did say, oh, of course not. You know, I know one applicant said, if I were asked to take a position, I would not...you know, I would have been offended and upset, and I wouldn't have accepted the thing, so...I wouldn't have accepted the appointment if it was some kind of quid pro quo. But those things kind of get said sometimes, right, in the newspaper and I can speak for those...some of those individuals who I've spoken to and speak for myself. When I read that I think, phew, that's just blatant allegation that has no basis in fact. So, it's all grist for the mill and we can have this dialogue, but I wanted to take this opportunity as we're approving these fine individuals who stepped up to volunteer and say that I...you know the fact that the council has approved probably all of the applicants that have been...that have come forward since I was here, it doesn't mean we didn't do our due diligence, and I think that the Mayor's going to find those people, that they're going to do a self-analysis and evaluation about are they willing to prepare that role. If they do that job well, they're not going to give us objectionable people that we would say, no, we don't want you to volunteer to help our community. So, I think it's perfectly understandable that we would pass virtually everyone that comes up here. Because there's some that we never voted on because during that process, they either took themselves out of the running or you know, there were other circumstances. So by the time it comes to a vote, I think it would be an extraordinary circumstance where we would have a contested vote on an application for a volunteer to be involved in government. So I just wanted an opportunity to say those things today.

Mr. Taylor:

Yeah, I...I...I hear what you're saying and I don't know who's indicated that these people are being...are picked to...to carry out the Mayor's wishes, but I...I certainly don't believe that and I'd never, never believe that. But it's...it's...it...one of the problems that comes along and maybe something that needs to be considered for the future is that...that we have some workshops on the consti...on the charter itself as it...section by section. What does it mean and...and so that...that we all know...have a better understanding so that we don't get off on tangents and so on and so forth. I think...I think where I came from on the mainland, they did that every year and it was very helpful for...for people that were interested in participating in the process to attend those workshops along with

some staff and...and elected officials so that we all better understood the legalities of...of what's written in that document. And I would make a recommendation that that be considered, but...

Mr. Bynum: I think that's an excellent idea and the more that the people have an understanding about how we govern ourselves, then...you know, certainly there are certain elements of the charter that have gotten intense scrutiny over the last year, and that's a positive thing. That's a good thing. Hopefully, we get through that and come to some consensus and agreement in the long run, but...so. Thank you for your comments.

Mr. Taylor: Thank you.

Chair Asing: Thank you. Is there anyone else? If not, I'd like to call the meeting back to order.

There being no one else wishing to speak on this matter, the meeting was called back to order, and proceeded as follows:

Chair Asing: We have a motion on the floor now. With that, can we have roll call, please.

The motion to adopt Resolution No. 2009-75 was then put, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR ADOPTION: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL - 5, |
| AGAINST ADOPTION: | None | TOTAL - 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL - 2. |

Chair Asing: Thank you. We're overdue for the caption break, so we'll take the caption break now. Thank you.

There being no objection, the meeting was recessed at 11:47 a.m. The meeting was called back to order at 12:02 p.m., and proceeded as follows:

Chair Asing: The meeting is now called back to order. With that, can we have the next item, please.

Mr. Nakamura: Mr. Chair, we're on page 4 of the council's agenda on Resolution 2009-76.

Resolution No. 2009-76, RESOLUTION CONFIRMING MAYORAL REAPPOINTMENT TO THE PLANNING COMMISSION (Camilla Chieko Matsumoto, Second Term, At-Large): Mr. Bynum moved to adopt Resolution No. 2009-76, seconded by Mr. Furfaro.

Chair Asing: Hang on. What we'll do is we'll open it up. Somebody in the public wants to speak on this item.

There being no objection, the rules were suspended.

ROB ABREW: Apologize, Kaip...apologize council. I had a...an emergency I had to attend to. I wanted to do this before all the resolutions were voted on, but I have some testimony here today. My name is Rob Abrew for the record. On behalf of the public I must ask that the council defer the resolutions.

H.R.S. 92-F defines a government record as, it means information maintained by an agency in written, auditory, visual, electronic or other physical forms. When the mayor transmitted communications to the council with successful applicants' applications attached, the application is considered a government record by definition. At this point Section 92-F-19(a)(6) would be the law that takes precedence, Limitations on Disclosures of Government Records to other Agencies: No agency may disclose or authorize disclosure of government records to any other agency unless the disclosure is to the legislature or a county council or any committee or sub-committee thereof. Under sec...sect...under Section 92-F-19(a)(6), in an OIP ruling from 91-8, Hawai'i Revised Statutes, the mayor may disclose information, including confidential information, about a nominee to the council that will review the nomination. When the council receives confidential information about a nominee, the mayor and the council must observe applicable restrictions on disclosures. However, the council will be required to publicly disclose certain nominee information under its review when the public interest and disclosure of the information outweighs the nominee's privacy interest. There are many, many, many OIP opinions that state what the difference between public interest and private...the nominee's privacy. This OIP decision was in reference to the governor's application for appointments to boards and commissions to be reviewed by the state senate. Since the OIP decision above directly referenced this next decision, I took the liberty to add mayor for the word governor and council had...in place of the senate. In the county...

Mr. Furfaro: Excuse me, excuse me. Just want to clarify. You took the liberty to replace positions.

(Inaudible.)

Mr. Furfaro: Thank you.

Mr. Abrew: Since the count...since this next decision referred...

Mr. Furfaro: I understand. I just want to hear that you took the liberty.

Mr. Abrew: Okay, yes. In a letter dated January 1, 2005 addressed to former Councilmember JoAnn Yukimura concerning executive session interviews, the issue of public disclosure of a successful applicant's information was discussed at great length. This letter was responsible for the interviews of successful applicants moving from executive session to a public meeting. This letter was also copied and sent to Chair Asing, former County Attorney Nakazara (sic) (Nakazawa) and County Clerk Peter Nakamura.

Mr. Nakamura: Three minutes, Mr. Chair.

Chair Asing: That was three minutes. Go ahead.

Mr. Abrew: I...I...my mouth's so dry I can't talk. It started...it stated, the council provides all members of boards and commissions shall be appointed and removed by the mayor with the approval of the council. It is our understanding that in accordance with the charter, the mayor transmits to the council the names of the appointees for the council's approval. A copy of each appointee's application for appointment to the board or commission is also transmitted to the council. The application includes, among other things, the appointee's name, employer, a summary of the appointee's major work experience

and a statement of the applicant's understanding of the primary duties of the appointment. Although the UIPA recognizes individuals have a significant private interest in applications and nominations for appointment to government positions, the OIP has previously opinioned (sic) that this significant privacy interest is outweighed by the public interest in the application information concerning successful applicants, which we're deciding today, because it sheds light upon the composition, conduct and potential conflicts of interest of government board and commission members. Therefore, the UIP would require the disclosure of appointees' application information.

This is straightforward. This has been ruled on that these ap...these successful applications must be made available to the public before the review can be complete. So, this information was not taken to the public and it's not available to the public before the review can be complete. So, I'm asking you guys to put on hold for a week or two weeks, ask the county clerk to make the documents available with redacted information as per the letter in June addressed to JoAnn Yukimura that this council has received and make that public information before the issue is decided on.

Chair Asing: Thank you. Is there anyone else in the public who wants to speak?

Mr. Abrew: Thank you for letting me talk.

Chair Asing: If not, thank you very much. I'd like to call the meeting back to order.

There being no one else wishing to speak on this matter, the meeting was called back to order, and proceeded as follows:

Chair Asing: We have a motion on the floor now. Any discussion on the motion? If not, roll call please.

The motion to adopt Resolution No. 2009-76 was then put, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR ADOPTION: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL - 5, |
| AGAINST ADOPTION: | None | TOTAL - 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL - 2. |

Chair Asing: Thank you, next item please.

Mr. Nakamura: Next resolution for approval is Resolution No. 2009-77.

Resolution No. 2009-77, RESOLUTION CONFIRMING MAYORAL REAPPOINTMENT TO THE BOARD OF WATER SUPPLY (Roy Asao Oyama, Second Term)

Chair Asing: Motion to approve, please.

Mr. Furfaro moved to adopt Resolution No. 2009-77, seconded by Mr. Bynum, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR ADOPTION: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL – 5, |
| AGAINST ADOPTION: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL – 2. |

Chair Asing: Next item please.

Mr. Nakamura: Next resolution is Resolution No. 2009-78.

Resolution No. 2009-78, RESOLUTION CONFIRMING MAYORAL REAPPOINTMENT TO THE LIQUOR CONTROL COMMISSION (Gerald Shigemi Matsunaga, Second Term)

Chair Asing: Motion to approve, please.

Mr. Furfaro moved to adopt Resolution No. 2009-78, seconded by Mr. Chang, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR ADOPTION: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL – 5, |
| AGAINST ADOPTION: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL – 2. |

Chair Asing: Next item please.

Ms. Kawahara: Mr. Chair, could I have a quick recess?

Chair Asing: Sure.

Ms. Kawahara: (Inaudible) five-minute recess regarding the testimony.

Chair Asing: Okay.

Ms. Kawahara: Just really quick.

Chair Asing: We'll have a short recess.

Ms. Kawahara: Thank you.

There being no objections, the meeting was recessed at 12:09 p.m. The meeting was called back to order at 12:15 p.m.

Chair Asing: With that, I believe we have a motion on the floor now. Am I correct.

Mr. Nakamura: We're on 2010-01. We have no motion on Resolution No. 2010-01.

Resolution No. 2010-01, RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE BOARD OF REVIEW (Lisa Ann Wilson, First Term): Mr. Furfaro moved to adopt Resolution No. 2010-01, seconded by Mr. Chang.

Chair Asing: Any discussion?

Ms. Kawahara: Ah, yes.

Chair Asing: Yes, go ahead.

Ms. Kawahara: Just really quickly. I just wanted...I appreciate the Chair letting me ask for a recess and getting that. I spoke with our county attorney and I will be, in response to Mr. Abrew's testimony here and the issues he's raised, I will be sending a communication to the Boards and Commission to ask about the transmission issues of these applicants. But...so that will be sent over at some point, probably at the end of the day. Thank you. Thank you, Chair.

Chair Asing: Thank you. Any further discussion? If not roll call please.

The motion to adopt Resolution No. 2010-01 was then put, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR ADOPTION: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL - 5, |
| AGAINST ADOPTION: | None | TOTAL - 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL - 2. |

Chair Asing: Next item please.

Mr. Nakamura: Next resolution for approval is Resolution No. 2010-02.

Resolution No. 2010-02, RESOLUTION AMENDING RESOLUTION NO. 2009-06 TO REPLACE AND CONFIRM THE APPOINTMENT OF A MAYORAL APPOINTEE TO THE BOARD OF REVIEW (Russell S. Kyono, First Term, replacing Richard Koenig, Jr.): Mr. Furfaro moved to adopt Resolution No. 2010-02, seconded by Mr. Bynum, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR ADOPTION: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL - 5, |
| AGAINST ADOPTION: | None | TOTAL - 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL - 2. |

Chair Asing: Next item please.

Mr. Nakamura: Next resolution is Resolution No. 2010-03.

Resolution No. 2010-03, RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE BOARD OF ETHICS (Warren C. R. Perry, First Term): Mr. Furfaro moved to adopt Resolution 2010-03, seconded by Mr. Bynum, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR ADOPTION: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL - 5, |
| AGAINST ADOPTION: | None | TOTAL - 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL - 2. |

Chair Asing: Next item please.

Mr. Nakamura: Next resolution for approval is Resolution No. 2010-04.

Resolution No. 2010-04, RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE BOARD OF ETHICS (Brad R. Nagano, First Term): Mr. Furfaro moved to adopt Resolution No. 2010-04, seconded by Mr. Chang, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR ADOPTION: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL – 5, |
| AGAINST ADOPTION: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL – 2. |

Chair Asing: Next item please.

Mr. Nakamura: Next resolution for approval is Resolution No. 2010-05.

Resolution No. 2010-05, RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE CIVIL SERVICE COMMISSION (Roy M. Morita, First Term): Mr. Furfaro moved to adopt Resolution No. 2010-05, seconded by Mr. Chang, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR ADOPTION: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL – 5, |
| AGAINST ADOPTION: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL – 2. |

Chair Asing: Thank you, next item please.

Mr. Nakamura: Next resolution for approval is Resolution No. 2010-06.

Resolution No. 2010-06, RESOLUTION AMENDING RESOLUTION NO. 2007-111 TO REPLACE AND CONFIRM THE APPOINTMENT OF A MAYORAL APPOINTEE TO THE COST CONTROL COMMISSION (Lawrence Chaffin, Jr., First Term, replacing Nadine Nakamura): Mr. Furfaro moved to adopt Resolution No. 2010-06, seconded by Mr. Bynum, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR ADOPTION: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL – 5, |
| AGAINST ADOPTION: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL – 2. |

Chair Asing: Next item please.

Mr. Nakamura: Next resolution for approval, Resolution No. 2010-07.

Resolution No. 2010-07, RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE COST CONTROL COMMISSION (Dirk Kapualani Joseph Apao, First Term): Mr. Furfaro moved to adopt Resolution No. 2010-07, seconded by Mr. Chang, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR ADOPTION: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL – 5, |
| AGAINST ADOPTION: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL – 2. |

Chair Asing: Next item please.

Mr. Nakamura: Next resolution for approval is Resolution No. 2010-08.

Resolution No. 2010-08, RESOLUTION AMENDING RESOLUTION NO. 2009-16 TO REPLACE AND CONFIRM THE APPOINTMENT OF A MAYORAL APPOINTEE TO THE SALARY COMMISSION (Charles G. King, First Term, replacing Tom Cooper): Mr. Furfaro moved to adopt Resolution No. 2010-08, seconded by Mr. Bynum, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR ADOPTION: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL – 5, |
| AGAINST ADOPTION: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL – 2. |

Chair Asing: Thank you, next item please.

Mr. Nakamura: At the top of page 5, we have Resolution No. 2010-09. Mr. Chair, if we can get a motion to defer this one pending interview.

Resolution No. 2010-09, RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE BUILDING BOARD OF APPEALS (Dennis P. Aquino, First Term, Fire): Mr. Furfaro moved to defer Resolution No. 2010-09 pending interview, seconded by Mr. Bynum, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Mr. Chair, for Resolution No. 2010-10, for Mr. Nakasone, if we could get the same deferral.

Resolution No. 2010-10, RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE BUILDING BOARD OF APPEALS (Gerald T. Nakasone, First Term, At-large): Mr. Furfaro moved to defer Resolution No. 2010-10 pending interview, seconded by Mr. Bynum, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Council Chair, also for Resolution No. 2010-11.

Resolution No. 2010-11, RESOLUTION AMENDING RESOLUTION NO. 2007-97 TO REPLACE AND CONFIRM THE APPOINTMENT OF A MAYORAL APPOINTEE TO THE SALARY COMMISSION (Sheri S. Kunioka-Volz, First Term, replacing Dawn Murata): Mr. Furfaro moved to defer Resolution No. 2010-11 pending interview, seconded by Mr. Bynum, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next resolution is for approval, Resolution No. 2010-12.

Resolution No. 2010-12, RESOLUTION CONFIRMING MAYORAL REAPPOINTMENT TO THE BUILDING BOARD OF APPEALS (Lawrence J. Dill, Engineer): Mr. Furfaro moved to adopt Resolution No. 2010-12, seconded by Mr. Bynum, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR ADOPTION: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL – 5, |
| AGAINST ADOPTION: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL – 2. |

Chair Asing: Next item please.

Mr. Nakamura: Mr. Chair, if we could get a motion to defer also on Resolution No. 2010-13.

Resolution No. 2010-13, RESOLUTION AMENDING RESOLUTION NO. 2009-08 TO REPLACE AND CONFIRM THE APPOINTMENT OF A MAYORAL APPOINTEE TO THE COST CONTROL COMMISSION (Linda Fayé Collins, replacing Lorna A. Nishimitsu): Mr. Furfaro moved to defer Resolution No. 2010-13 pending interview, seconded by Mr. Chang, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next resolution for approval is Resolution No. 2010-14.

Resolution No. 2010-14, RESOLUTION CONFIRMING MAYORAL REAPPOINTMENT TO THE FIRE COMMISSION (Jan C. Rudinoff): Mr. Furfaro moved to adopt Resolution No. 2010-14, seconded by Ms. Kawahara, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR ADOPTION: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL – 5, |
| AGAINST ADOPTION: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL – 2. |

Chair Asing: Next item please.

Mr. Nakamura: Next resolution for approval is Resolution No. 2010-15.

Resolution No. 2010-15, RESOLUTION CONFIRMING MAYORAL REAPPOINTMENT TO THE FIRE COMMISSION (Basilio Fuertes, Jr.): Ms. Kawahara moved to adopt Resolution No. 2010-15, seconded by Mr. Furfaro, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR ADOPTION: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL – 5, |
| AGAINST ADOPTION: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL – 2. |

Chair Asing: Next item please.

Mr. Nakamura: Mr. Chair, if we could get a motion on...to receive on Resolution 2010-16.

Resolution No. 2010-16, RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE POLICE COMMISSION (George Tiffany): Mr. Furfaro moved to receive Resolution No. 2010-16 for the record, seconded by Ms. Kawahara, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Last resolution for approval is Resolution No. 2010-17.

Resolution No. 2010-17, RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE SALARY COMMISSION (William Dahle): Mr. Chang, moved to adopt Resolution No. 2010-17, seconded by Mr. Furfaro, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR ADOPTION: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL – 5, |
| AGAINST ADOPTION: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL – 2. |

Chair Asing: Next item please.

Mr. Nakamura: Next matters are Bills for First Reading. First bill for first reading is Proposed Draft Bill 2341.

BILLS FOR FIRST READING:

Proposed Draft Bill No. 2341 – A BILL FOR AN ORDINANCE TO AMEND CHAPTER 21, ARTICLE 7, KAUAI COUNTY CODE 1987, RELATING TO INTEGRATED SOLID WASTE MANAGEMENT: Mr. Bynum moved for passage of Proposed Draft Bill No. 2341 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for February 3, 2010, and that it thereafter be referred to the Public Works/Elderly Affairs Committee, seconded by Mr. Furfaro.

Chair Asing: Any dis...any discussion?

Mr. Furfaro: (Inaudible) date specific, I mean referral?

Mr. Chang: February 3rd.

Mr. Nakamura: February 3rd would be the public hearing.

Chair Asing: Any further discussion? If not, roll call please.

The motion for passage of Proposed Draft Bill No. 2341 was then put, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR PASSAGE: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL – 5, |
| AGAINST PASSAGE: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL – 2. |

Chair Asing: Next item please.

Mr. Nakamura: Next bill for first reading is Proposed Draft Bill No. 2342.

Proposed Draft Bill No. 2342 – A BILL FOR AN ORDINANCE ESTABLISHING REGULATIONS, PROCEDURES, ZONING AND DEVELOPMENT PLANS FOR THE LIHU'E TOWN CORE AREA AND ESTABLISHING EXCEPTIONS, MODIFICATIONS AND ADDITIONS TO CHAPTER 8 AND CHAPTER 10 OF THE KAUAI COUNTY CODE 1987: Mr. Bynum moved for passage of Proposed Draft Bill No. 2342 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for February 3, 2010, and that it thereafter be referred to the Planning Committee, seconded by Ms. Kawahara.

Chair Asing: Any discussion?

Mr. Furfaro: Yes.

Chair Asing: Yes, go ahead.

Mr. Furfaro: I...I just want to say after this public hearing, because this is such a large item we might be considering a specific date to have a presentation from Planning. It's...it's a very large document identifying certain special areas. So I might be requesting that depending on what we hear from the public hearing coming up first.

Chair Asing: Thank you.

Ms. Kawahara: Thank you.

Chair Asing: Any further discussion? If not, roll call please.

The motion for passage of Proposed Draft Bill No. 2342 was then put, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR PASSAGE: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL – 5, |
| AGAINST PASSAGE: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL – 2. |

Chair Asing: Thank you, next item.

Mr. Nakamura: Next bill for first reading at the top of page 6 is Proposed Draft Bill No. 2343.

Proposed Draft Bill No. 2343 – AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF KAUAI FOR THE PURPOSE OF FINANCING CERTAIN PUBLIC IMPROVEMENTS AND REFUNDING CERTAIN BONDS OF THE COUNTY; FIXING OR AUTHORIZING THE FIXING OF THE FORM, DENOMINATIONS, AND CERTAIN OTHER DETAILS OF SUCH BONDS AND PROVIDING FOR THE SALE OF SUCH BONDS TO THE PUBLIC: Mr. Bynum moved for passage of Proposed Draft Bill No. 2343 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for February 3, 2010, and that it thereafter be referred to the Budget & Finance Committee, seconded by Mr. Furfaro.

Chair Asing: Thank you. I believe we have an amendment. Can we have a motion to move to amend as circulated and I believe the amendment is a technical one.

Mr. Furfaro: It is and I believe it is being circulated right now, introduced by myself, okay. It is just a technical and housekeeping item.

Chair Asing: Okay, can we have that motion to amend, please.

Ms. Kawahara moved to amend Proposed Draft Bill No. 2343, as shown in the Floor Amendment attached hereto (see Attachment No. 1), seconded by Mr. Bynum, and unanimously carried.

Chair Asing: We're back to the main motion as amended. Any further discussion? If not all those...I'm sorry, roll call please.

The motion for passage of Proposed Draft Bill No. 2343 as amended was then put, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR PASSAGE: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL – 5, |
| AGAINST PASSAGE: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL – 2. |

Chair Asing: Thank you. Can we have the next item, please.

Mr. Nakamura: Next bill for first reading is Proposed Draft Bill No. 2344.

Proposed Draft Bill No. 2344 – AN ORDINANCE AMENDING ORDINANCE NO. B-2009-691, AS AMENDED, RELATING TO THE CAPITAL BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2009 TO JUNE 30, 2010, BY REVISING THE REVENUES AND APPROPRIATIONS IN THE BOND FUND AND THE GENERAL FUND (CIP): Mr. Bynum moved for passage of Proposed Draft Bill No. 2344 on first reading, that it be ordered to print, that a public hearing thereon be scheduled on February 3, 2010, and that it thereafter be referred to the Budget & Finance Committee.

Mr. Bynum: I believe there's also an amendment.

Chair Asing: Thank you. Before we do that, I'd like to suspend the rules. Glenn.

Mr. Nakamura: Council Chair, I'm sorry, we just needed a second to Councilmember Bynum's motion.

Ms. Kawahara seconded Mr. Bynum's motion for passage of Proposed Draft Bill No. 2344 on first reading, that it be ordered to print, that a public hearing thereon be scheduled on February 3, 2010, and that it thereafter be referred to the Budget & Finance Committee.

Mr. Nakamura: Thank you.

Chair Asing: Go ahead. Thank you.

There being no objection, the rules were suspended.

GLENN MICKENS: For the record Glenn Mickens. Just...just a question on this Bill 2344. Do I understand it right? It...the...it's...it's being increased from \$58,831,800 to \$111,119,800? Is that true? Is that...do I understand it right?

Mr. Furfaro: That's correct, Glenn. You did. If you make a footnote there, it's total all funds.

Mr. Mickens: All funds.

Mr. Furfaro: All funds.

Mr. Mickens: This is county and state, both?

Mr. Furfaro: No, this is only county. We can only act on county (inaudible).

Mr. Mickens: Oh, but it...it has something in here, highways, but that means county highways.

Mr. Furfaro: Yeah, our portion of...the county's portion.

Mr. Mickens: Then...then...then what...

Chair Asing: Hang...hang on.

Mr. Mickens: Okay.

Chair Asing: Go ahead...

Mr. Mickens: I'm sorry.

Chair Asing: ...Councilmember Bynum.

Mr. Bynum: Glenn, the last two bills are kind of interrelated. The first one is a bond that the county administration is proposing to finance capital improvement projects. The second one is a revision of the current CIP Budget and moving some of those from the General Fund into the Bond Fund. And so taken together, this is the county...modifying the current CIP Budget and creating a bond fund to do capital...a various list of capital improvement projects. This is first reading, so that means we'll have public hearing and, you know, more discussion coming up.

Mr. Mickens: Sure, sure, but...but then, as you're pointing out, it does increase it by about double. Even taking it and putting it into the bond fund, no matter how you want to juggle it around, right?

Mr. Furfaro: Yes.

Mr. Bynum: It increases the Capital Improvement Projects.

Mr. Mickens: Right.

Mr. Bynum: Very much so.

Mr. Mickens: Oh, okay. I was going to ask about one item, but you said it...there is going to be a public hearing on this, so I can wait about the one thing. It was about the drug center and I just wanted to know more about...

Mr. Furfaro: That might best be held when we talk about this piece specifically.

Mr. Mickens: Okay.

Mr. Furfaro: And just so we understand, there are funds that they have money in them that were from our earmarking certain taxes.

Mr. Mickens: Right.

Mr. Furfaro: And then the bond fund, as Mr. Bynum is referencing, is actually the county's loan. So it's got taxes in it as well as borrowed money.

Mr. Mickens: And you find it more advantageous putting it into the bond fund to do rather than putting it like into the CIP fund?

Mr. Furfaro: This is...this is a kind of a strategic move, as Mr. Bynum was sharing with you. If we have money that we've already put in reserves with taxes, right, and we want to move them from the CIP money, this is the motion that we make.

Mr. Mickens: I see.

Mr. Furfaro: There are some corrections on certain projects, but this is also in antipita...anticipation of whatever the outcome might be from the state legislature. So...

Mr. Mickens: But even in...putting it into the bond fund, that doesn't mean that you're going to be able to get the money, right?

Mr. Furfaro: No. Let me explain. A bond is a loan that the county applies for.

Mr. Mickens: Right.

Mr. Furfaro: We're borrowing some money. The funds that we have are moneys that were earmarked from taxes. For example, the 13 cents a gallon we currently get for highway repair and so forth...

Mr. Mickens: Right.

Mr. Furfaro: That's tax money on the gas that goes into that fund.

Mr. Mickens: Okay.

Mr. Furfaro: The bond is a loan, so that's how you...you (inaudible). And this is moving some CIP money, right, so that we strategically have funds to prepare us for what might be the worst outcome.

Mr. Mickens: Right.

Mr. Furfaro: There'll be more on this presentation from the Finance Department when we actually have the public hearing.

Mr. Mickens: And when you go...

Mr. Furfaro: I would encourage you to hold your comments until then.

Mr. Mickens: Okay, okay. Thanks, Jay. Thanks, Kaipo.

Chair Asing: Thank you. With that, I'd like...oh, Mr. Taylor.

KEN TAYLOR: Chair and members of the council, my name is Ken Taylor. To...to follow up and I...I understand I think what you're trying to accomplish here, but an...an example of the drug treatment \$2 million issue, acquisition and improvements of land, do we have a site identified for that or...I mean, I don't...I don't remember seeing or hearing any discussion about...

Chair Asing: Councilmember Bynum.

Mr. Bynum: At this point, this is a proposal from the administration and you know, they would be best to answer that question, but I believe that the answer most likely, as far as I know, would be no, not at this time. This would...this is a proposal to use part of the bond funding to have funds available for that purpose, but it has to go through public hearing, get input from the public and...and be authorized by the...

Mr. Taylor: Before this \$2 million could be spent, there would be public hearings on...on a...on a land site and...and that...is that what I'm understanding?

Chair Asing and Mr. Bynum: Yes.

Mr. Taylor: Thank...thank you for that clarification.

Chair Asing: Thank you.

Mr. Furfaro: I can speak with you afterwards.

Chair Asing: With that, I'd like to call the meeting back to order and we have a motion now. Can we have a motion to amend as circulated.

There being no one else wishing to speak on this matter, the meeting was called back to order, and proceeded as follows:

Mr. Bynum moved to amend Proposed Draft Bill No. 2344, as shown in the Floor Amendment attached hereto (see Attachment No. 2), seconded by Mr. Chang, and unanimously carried.

Chair Asing: We're back to the main motion as amended. Is there any further discussion? If not, roll call please.

The motion for passage of Proposed Draft Bill No. 2344 as amended was then put, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR PASSAGE: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL – 5, |
| AGAINST PASSAGE: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL – 2. |

Chair Asing: Thank you, next item please.

Mr. Nakamura: Next matter...last bill for first reading is Bill No. 2345.

Proposed Draft Bill No. 2345 – A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. B-2009-690, AS AMENDED, RELATING TO THE OPERATING BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2009 THROUGH JUNE 30, 2010, BY REVISING THE SURPLUS AND APPROPRIATIONS ESTIMATED IN THE GENERAL FUND (Acquisition of a Public Use Helicopter via a 10-year lease): Mr. Bynum moved for passage of Proposed Draft Bill No. 2345 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for February 3, 2010, and that it thereafter be referred to the Budget & Finance Committee, seconded by Mr. Furfaro, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR PASSAGE: | Bynum, Chang, Furfaro, Kawahara, Asing | TOTAL – 5, |
| AGAINST PASSAGE: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | Kaneshiro, Kawakami | TOTAL – 2. |

Chair Asing: Thank you. With that, that concludes the meeting except for the executive sessions that we will be holding after the public hearing at 1:30 p.m. So we will resume at 1:30 p.m. for public hearing and after the public hearing, we will be conducting the executive sessions. Thank you.

There being no objection, the meeting was recessed at 12:32 p.m. The meeting was called back to order at 1:49 p.m., and proceeded as follows:

Chair Asing: The meeting is now called back to order. With that, County Attorney.

There being no objection, the rules were suspended.

AMY ESAKI, DEPUTY COUNTY ATTORNEY: Okay, let's see...I'm going to request to go into executive session and the executive session is for ES-413, 416, 417, and 418 and I'll read it verbatim.

EXECUTIVE SESSION:

ES-413 Pursuant to Haw. Rev. Stat. §§92-4 and 92-5(a)(4) and (8); and Kauai County Charter §3.07(E), the purpose of this executive session is to consult with the Council's legal counsel to receive legal updates, overviews, and recommendations for purposes of obtaining Council approval of proposed settlement of a workers' compensation claim, and evaluate employees' ability to return to work. This deliberation and/or decision making involves matters that require the consideration of information that must be kept confidential as, inter alia, it concerns significant privacy interests. The significant privacy interests

relate to a medical history, diagnosis, condition, treatment, or evaluation and which, pursuant to state or federal law, including Health Insurance Portability and Accountability Act, are protected from disclosure.

ES-416 Pursuant to Haw. Rev. Stat. §§92-4 and 92-5(a)(4), (6) and (8), and Kaua'i County Charter section 3.07(E), the purpose of this executive session is to provide the Council a briefing on County of Kaua'i vs. Lady Ann Cruises, Inc., et al., Civ. No. 09-1-0165 (Fifth Circuit Court), and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Council and the County as they relate to this agenda item.

ES-417 Pursuant to Haw. Rev. Stat. §§92-4 and 92-5(a)(4) and (8), and Kaua'i County Charter section 3.07(E), the Office of the County Attorney requests an executive session with the Council to provide the Council a briefing, update, and to request authority relating to the case of Jane Doe v. County of Kaua'i, EEOC Charge no. 486-2009-00268 and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Council and the County as they relate to this agenda item.

ES-418 Pursuant to Haw. Rev. Stat. §§92-4 and 92-5(a)(4), (6) and (8), and Kaua'i County Charter section 3.07(E), the purpose of this executive session is to provide the Council a briefing on Planning Commission of the County of Kaua'i vs. Patricia W. & Michael G. Sheehan, Sr. Permit Numbers: Special Management Area Use; Permit SMA (U) 87-8; Use Permit U-87-32; Special Permit SP-87-9; Class IV Zoning Permit Z-IV-87-40, (Order to Show Cause Hearings) and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Council and the County as they relate to this agenda item.

Chair Asing: Thank you, Amy. With that, I'd like to call the meeting back to order and have a motion to move into executive session.

The meeting was called back to order, and proceeded as follows:

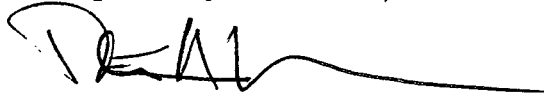
Mr. Chang moved to go into executive session, seconded by Mr. Furfaro, and unanimously carried.

There being no objection, the Chair recessed the meeting at 1:50 p.m. The meeting reconvened at 3:50 p.m., and proceeded as follows:

ADJOURNMENT:

There being no further business, the meeting was adjourned at the end of the executive session at 3:50 p.m.

Respectfully submitted,



PETER A. NAKAMURA
County Clerk

/wa

(January 6, 2010)
FLOOR AMENDMENT
Bill No. 2343, Relating to the Issuance of
General Obligation Bonds

INTRODUCED BY: Jay Furfaro

Amend Exhibit "A" of Bill No. 2343 as follows:

EXHIBIT A

COUNTY PROJECTS

Piikoi Building Renovation
Waimea Police Sub-station
Lihue WWTP Chemical Lab Renovation
[Waimea] Wailua WWTP Improvements/Renovation
Islandwide SCADA System
Eleele WWTP Improvements/Renovation
Adolescent Drug Treatment Center Land Acquisition/Improvements
Civic Center ADA Improvements
Hanamaulu/Hanapepe ADA Improvements
ADA Access Barrier Removal
Hanapepe/Waimea Levies
Lighting Retrofits-Parks
Lydgate Campsite ADA Improvements
Park ADA Bleachers Replacement
Kapaa Baseyard Structural Renovation
IT Infrastructure Improvements
IT SOA Project
Aliomanu Road Erosion
Kokee Road (matching funds)
Wailua Emergency Bypass Improvements
Kilauea Ag Park (Design)
Auto Shop Facility/Storage
County-wide Storage Facility
Historic County Building and Lihue Civic Center
Site Improvements
Rice Street Crossing Improvements
Alternative Energy Projects
New Alternate Energy Projects
Composting Facility (Planning/Design)
Materials Recycling Facility (Feasibility/Plan/Engineer/Design/Permit)
New Landfill Site Acquisition
Kekaha Landfill Lateral Expansion
Kekaha Landfill Phase II Closure
Kapaa Refuse Transfer Station Renovation*(Plan/Design)
Affordable Housing

Kamalani Playground
Lydgate Pond
Kapaa Stadium Improvements
Park/Open Space Land Acquisition
Hanamaulu Beach Park Comfort Station/Pavilions
Veterans Cemetery Upgrade
Hanapepe Cliffside Basketball Court

(Material to be deleted is bracketed. New material is underscored.)

(January 6, 2010)
FLOOR AMENDMENT
Bill No. 2344, Relating to the Capital Budget
of the County of Kaua'i

INTRODUCED BY: Jay Furfaro

Amend Bill No. 2344 to read as follows:

" SECTION 1. That Section 1 of Ordinance No. B-2009-691, relating to the Capital Budget of the County of Kaua'i, State of Hawai'i, for the fiscal year July 1, 2009 to June 30, 2010 (hereafter "Ordinance No. B-2009-691"), is hereby amended as follows:

Section 1. The several amounts of Revenue Fund Balances, Special Trust Fund for Bikeway Fund, Special Trust Fund for Parks & Playgrounds, Bond Fund, Development Fund, Highway Fund (CIP), Sewer Fund, General Fund (CIP), estimated for the fiscal year July 1, 2009 to June 30, 2010, are hereby provided and appropriated to the funds and for the purposes as set forth in Section 2.

| | |
|---|---|
| BIKEWAY FUND | \$ 21,672 |
| BOND FUND | [30,581,667] <u>91,269,667</u> |
| DEVELOPMENT FUND | 533,100 |
| GENERAL FUND (CIP) | [19,150,730] <u>10,750,730</u> |
| HIGHWAY FUND (CIP) | 6,742,392 |
| SEWER TRUST FUND | 168,165 |
| SPECIAL TRUST FUND FOR PARKS PLAYGROUNDS | 1,634,074 |
| TOTAL ALL FUNDS | [\$58,831,800] <u>\$111,119,800</u> |

SECTION 2. That Section 2 of Ordinance No. B-2009-691 is hereby amended by adding or increasing the following appropriation provisions and projects under the BOND FUND category of projects listed in Section 2:

| | |
|---|-----------|
| <u>Piikoi Building Renovation</u> | 3,500,000 |
| <u>Waimea Police Sub-station</u> | 250,000 |
| <u>Lihue WWTP Chemical Lab Renovation</u> | 1,000,000 |
| <u>Wailua WWTP Improvements/Renovation</u> | 1,200,000 |
| <u>Islandwide SCADA System</u> | 4,200,000 |
| <u>Eleele WWTP Improvements/Renovation</u> | 2,400,000 |
| <u>Adolescent Drug Treatment Center Land Acquisition/Improvements</u> | 2,000,000 |
| <u>Civic Center ADA Improvements</u> | 960,000 |
| <u>Hanamaulu/Hanapepe ADA Improvements</u> | 400,000 |
| <u>ADA Access Barrier Removal</u> | 1,000,000 |
| <u>Hanapepe/Waimea Levies</u> | 1,200,000 |

| | |
|--|----------------------|
| <u>Lighting Retrofits [(Endangered Birds)]-Parks</u> | [270,000]4,070,000 |
| <u>Lydgate Campsite ADA Improvements</u> | 150,000 |
| <u>Park ADA Bleachers Replacement</u> | 800,000 |
| <u>Kapaa Baseyard Structural Renovation</u> | [199,100]2,799,100 |
| <u>IT Infrastructure Improvements</u> | 222,000 |
| <u>IT SOA Project</u> | 556,000 |
| <u>Aliomanu Road Erosion</u> | 3,000,000 |
| <u>Kokee Road (matching funds)</u> | 1,000,000 |
| <u>Wailua Emergency Bypass Improvements</u> | 1,000,000 |
| <u>Kilauea Ag Park (Design)</u> | 500,000 |
| <u>Auto Shop Facility/Storage</u> | 1,000,000 |
| <u>County-wide Storage Facility</u> | 2,000,000 |
| <u>Historic County Building and Lihue Civic Center Site Improvements</u> | [4,697,362]5,197,362 |
| <u>Rice Street Crossing Improvements</u> | 300,000 |
| <u>Alternative Energy Projects</u> | 1,500,000 |
| <u>New Alternate Energy Projects</u> | 500,000 |
| <u>Composting Facility (Planning/Design)</u> | 700,000 |
| <u>Materials Recycling Facility</u> | |
| <u>(Feasibility/Plan/Engineer/Design/Permit)</u> | 1,600,000 |
| <u>New Landfill Site Acquisition</u> | 4,500,000 |
| <u>Kekaha Landfill Lateral Expansion</u> | 3,900,000 |
| <u>Kekaha Landfill Phase II Closure</u> | 800,000 |
| <u>Kapaa Refuse Transfer Station Renovation(Plan/Design)</u> | 500,000 |
| <u>Affordable Housing</u> | [2,000,000]3,000,000 |
| <u>Kamalani Playground</u> | 150,000 |
| <u>Lydgate Pond</u> | 500,000 |
| <u>Kapaa Stadium Improvements</u> | 500,000 |
| <u>Park/Open Space Land Acquisition</u> | 8,000,000 |
| <u>Hanamaulu Beach Park Comfort Station/Pavilions</u> | 400,000 |
| <u>Veterans Cemetery Upgrade</u> | 350,000 |
| <u>Hanapepe Cliffside Basketball Court</u> | 250,000 |

SECTION 3. That Section 2 of Ordinance No. B-2009-691 is hereby further amended by adding or deleting the following appropriation provisions and projects under the GENERAL FUND (CIP) category of projects listed in Section 2:

| | |
|--|------------|
| [Hanapepe/Waimea Levies | 1,200,000] |
| [Rice Street Crossing Improvements | 300,000] |
| [Alternative Energy Projects | 1,500,000] |
| [Kekaha Landfill Lateral Expansion | 3,900,000] |
| [Kapaa Refuse Transfer Station Renovation(Plan/Design) | 500,000] |
| [Affordable Housing | 1,000,000] |
| [Hanamaulu Beach Park Comfort Station/Pavilions | 300,000] |
| [Veterans Cemetery Upgrade | 350,000] |
| [Hanapepe Cliffside Basketball Court | 250,000] |

SECTION 4. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions of applications of the Ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this Ordinance are severable.

SECTION 5. Material to be deleted is bracketed. New material is underlined.

SECTION 6. This Ordinance shall take effect upon its approval. "